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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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Thai Premier Interviewed on AFTA Proposal

BK3001060392 Bangkok THE NATION in English 30 Jan 92 p B1-B2

[Interview with Thai Premier Anan Panyarachun on AFTA by THE NATION; place and date not given]

[Text] [Nation] The ASEAN heads of government reiterated in their opening statements the general fear of emerging regional trade blocs. Is that the underlying reason for your proposal?

[Anan (Panyarachun)] Let me explain my philosophy first. We are not doing this for fun or for personal interest. The idea of creating AFTA [Asean Free Trade Area] was borne out of two very important reasons.

First of all, ASEAN has been heavily reliant on outside markets for trade and investment. Until now, industries in the six ASEAN countries have competed vigorously to share markets in the United States, the European Community and Japan. With these countries accelerating their market integration and becoming increasingly protectionist, it's time for ASEAN to rethink its strategy.

Even though there remains a need for us to continue selling our products to non-member countries, we have to take into account the vast market that exists within this grouping as well.

If we are to enhance trade among ourselves, there must be a mechanism that will facilitate imports from ASEAN countries and make them less costly. When prices decline, more trade obviously follows.

The second point I want to make clear is that competition for foreign investment is becoming stronger and stronger. Not only in ASEAN, but also the Eastern European countries and newly-independent republics of the former Soviet Union. The United States and Mexico are also promoting investment in their countries. China and the Indochinese states are no exception.

Virtually every country is competing for capital. They are all making their countries or their regions attractive to foreign investors. These people take into account the size of the market and the return on investment when deciding whether to invest or not. Similarly, creditor banks also look at these elements when they decide whether to approve money for corporate or individual investors.

With the establishment of AFTA, we can actually combine the six markets, expanding the size of the market to encompasss 360 million people. Instead of setting up a plant to produce goods just for 50 million Thais, investors can take advantage of the economy of scale by manufacturing goods for over 300 million people in the region.

At the same time, the purchasing power of our people is growing stronger. Given this backdrop, ASEAN will emerge as an attractive market. Whether investors will choose to invest in Thailand, Indonesia, the Philippines or Singapore depends on the prevailing business environment in each country. But they will still remain in ASEAN.

[Nation] Can you please explain in simple terms what AFTA actually is?

A free trade area is not new at all. In ASEAN, we had discussed this concept at length at the official level in the previous summit meetings in Manila in 1987. But it did not go through.

This time, we are making sure that it will proceed smoothly. ASEAN heads of government signed three landmark agreements to establish AFTA as the ultimate objective of our economic cooperation through the Common Effective Preferential Tariff (Cept), an Indonesian-proposed scheme, at the end of our summit meeting (on Tuesday).

Under the Cept scheme, tariffs on manufactured and processed agricultural products and capital goods are to be cut to 0-5 percent within 15 years. So by 2008 these products should be freely circulated within the region. Preferential tariffs will be accorded to ASEAN-made products only.

(Dr Narongchai Akrasani, the premier's aide, noted that to be eligible for such status, products should have a cumulative value in any ASEAN country of more than 40 percent. That means a portion of the products could be produced in Malaysia and Singapore, assembled in Thailand and sold in the region. The end content of ASEAN added value must be 40 percent.)

ASEAN heads of government have also set up a ministerial-level council to oversee and review the implementation of AFTA so that everything will be on schedule. Each member country will have to submit a programme of action as to how it will reduce tariffs step-by-step.

Tariffs on products which are currently higher than 20 percent should be reduced to 20 percent in 5-8 years. Further cuts to 0-5 percent should be accomplished in seven years.

At the same time, we have selected 15 groups of products for accelerated tariff reduction, meaning that tariff reduction to 0-5 percent should be achieved sooner than in 15 years' time.

The groups are vegetable oil, cement, chemicals, pharmaceuticals, fertilizer, plastics, rubber products, leather products, pulp, textiles, ceramic and glass products, gems and jewellery, copper cathodes, electronics and wooden and rattan furniture.

[Nation] Thailand's average tariff charged on ASEAN goods is currently the highest in ASEAN. What steps will your government take to change that?

[Anan] I announced in my closing speech that when I return to Bangkok (Yesterday), I will take the necessary steps to bring down our tariffs so that the maximum rates for all manufactured products coming from

ASEAN shall be no more than 30 percent by Jan 1, 1993. I will engage in consultations with interested parties with a view to further reducing these tariffs to a maximum of 20 percent by Jan 1, 1994.

And for those product groups which have been selected for accelerated tariff reduction, we shall consult closely with other ASEAN member countries in order to put into effect the reduction of tariff rates for AFTA goods to 0-5 percent as soon as possible.

We have in mind a few product groups for which we can cut tariffs immediately to 0-5 per cent. But I cannot tell you now, our officials will have to work out the details and consult with their ASEAN counterparts on the offer.

I want to repeat that we do not intend to undertake all of these products at the same time. We still have the flexibility to opt out on specific products.

The "six-minus-X" provision allows ASEAN countries that have not yet undertaken trade liberalization in particular products to opt out for a period; when they are ready, they should start promptly. But by 2008 all manufactured goods, processed agricultural products and capital goods are to come under the free trade scheme.

At the same time, if Thailand, Singapore and Malaysia are prepared to open trade in some products in the initial years, they can do so even though the other three ASEAN countries might not be ready. This is the flexiblity that we have.

[Nation] These measures could be highly unpopular politically speaking—palm oil, for one thing. Are you confident that the next government will carry through on this trade liberalization?

[Anan] If the people believe that AFTA is good for them, the people will serve as its guardian and ensure that nobody does harm to it. It is now up to them to carry on. While I am still in office, I will certainly explain to the people and industries involved about the concept and how AFTA will work out for them.

[Nation] What adjustments would Thai industries have to make in the meantime before AFTA is accomplished in 2008? With more competition, it seems they run the risk of being run out of business if they are uncompetitive.

[Anan] Well, I think every ASEAN country will be affected one way or another by AFTA. As I said in my opening statement, we have to accept that the road towards AFTA could be both difficult and painful. In the short run, it could result in initial losses of government revenue.

Inefficient sectors would become vulnerable to competition. Industrial restructuring and readjustment could also lead to temporary unemployment in some countries.

But, I believe the overall long-term benefits of AFTA will more than compensate for any short-term loss.

Actually, we have to ask ourselves whether we still want to protect industries which, after so many years of protection, still cannot stand on their own. Is there still any justification for further protection? The government at that time will have to answer this question.

I personally feel that Thailand does not need such uncompetitive industries. If they cannot do it during the transition period of 10-15 years, when can they?

But I understand that for the private sector to adjust to the new business environment where competition is intensified, we have to give them sufficient time to adjust. That is why the ASEAN heads of state decided that a 15-year timeframe should apply.

[Nation] You once said that your preference for the establishment of AFTA is 10 years. Why? And would the longer time-frame make any difference?

[Anan] Yes, I still have that preference now. But some of our ASEAN friends are concened that if AFTA is implemented too fast, it might affect their developing economies severely. So we have to take into account their concern.

I initially proposed 10 years because I felt that period would have a stronger impact on both ASEAN based and foreign investors... so that they have confidence in us. Looking back on the past history of ASEAN, we have not succeeded much in terms of economic coopration. We want the agreement on AFTA to change that. But it will take some time before foreign investors can accurately assess the situation and Market potential here.

Well, the 15-year timeframe is the maximum to achieve AFTA. We can do it faster than that. Yes, a long time-frame may weaken the impact a bit, but it is acceptable.

ASEAN's Future Stance With AFTA Examined

BK2901124592 Singapore THE STRAITS TIMES in English 29 Jan 92 p 28

[Editorial: "A New ASEAN After AFTA"]

[Text] ASEAN was reborn as an economic organisation this week. The birth was some time coming, and it remains to be seen how quickly the baby grows, but the point is that it is a new entity. While ASEAN was not a product of the Cold War, the end of that war and its replacement by regional economic competition demand that ASEAN rediscover its economic character, diluted by its pre-occupation with Cambodia. Yesterday, that rediscovery took the form of the Framework Agreement which commits the six nations to the creation of an Asean Free Trade Area (AFTA) in 15 years by means of a Common Effective Preferential Tariffs (CEPT) scheme covering capital and manufactured goods and processed agricultural products. CEPT will start in January next year with 15 product sectors placed on the fast track for tariff cuts.

The rationale for AFTA is two-pronged. In terms of blocked markets, if the Uruguay Round talks of the General Agreement on Tariffs and Trade fail, the Single European Market and the North American Free Trade Area may become trade blocs. In terms of investment, the transition of nations in Eastern Europe and the former Soviet Union to market economies means increasing competition for capital worldwide. Hence the need for ASEAN to enhance its attractiveness as a destination for investment capital and its strength as as global economic player. Both purposes are served by integrating into a free trade area. Admittedly, AFTA faces real problems. The ASEAN economies are still more competitive than complementary, depend broadly on the same export markets and are at different levels of development. Thus, some industries which are not strong enough to face regional competition will be affected, as will some monopolistic interests. Bureaucratic lethargy or obstruction could be a brake on the pace of change. The failure of the Preferential Tariff Arrangement scheme to overcome these obstacles casts a shadow on ASEAN's record of economic co-operation.

However, the point is that ASEAN is emerging from those shadows, the proof being AFTA itself. Trends that are more significant than past problems lie behind the momentum of progress. Scholars have noted the convergence of growth patterns in ASEAN since the middle of the last decade as foreign investment and exports became more influential than commodity prices and domestic factors in determining economic policy in Malaysia, Indonesia and Thailand. These converging growth patterns—evident in a comparison of Gross Domestic Product growth rates—play a partial role in regional integration. Concurrently, while the economies remain competitive with each other, a degree of complementarity is nevertheless present and, spurred by the vertical integration of the activities of multinational corporations, lays the basis for ASEAN's growing regionalisation. As for the bureaucracy, its ability to impede change is reduced by the fact that the private sector has been accorded the vanguard role in AFTA. Thus, there is reason to hope that it will not flounder the way ambitious public-sector projects have done. Moreover, the 15-year time frame is a realistic one, as is the decision not to include agriculture, services and sensitive industries within CEPT. It is important to work first on what will work fast, broadening CEPT as results are achieved in these sectors.

Underlying these economic factors is a fundamental issue: the political will to move ahead. The Fourth Asean Summit attested to that will, a product of the political cohesion that has made ASEAN one of the world's most successful regional organisations. As the decisions adopted this week get translated into policy details, it is necessary to remember that pushing them through might be painful in the short term but will deliver benefits over the long run. In any case, ASEAN does not have the luxury of choice. The future is here, full of economic dangers and opportunities. The only way to prepare for that future is to achieve now what, in a different world, might have come AFTA. [as published]

Aspects of SRV's Joining ASEAN Examined

BK3001043592 Bangkok THE NATION in English 30 Jan 92 p A8

[By Kawi Chongkitthawon]

[Text] The end of the Fourth Asean Summit in Singapore Tuesday, saw the so-called Domino theory going into reverse gear with the possible accession of Vietnam and Laos to the Treaty of Amity and Cooperation in Southeast Asia in the foreseeable future.

Different ideas have already emerged as to when and how Vietnam should integrate and become a Asean member, however, in part or in full.

Malaysian Prime Minister Mahathir Mohamad was the first ASEAN leader to say confidently that Vietnam would be able to join ASEAN within the next five years. Other ASEAN leaders are not so sure about the issue.

Both Thailand and Singapore have been saying that Vietnam's future in ASEAN would be determined by its economic performance. They say it would depend on how successful Vietnam is in carrying out its economic reforms.

Prime Minister Anan Panyarachun has repeatedly said that Vietnam's membership to ASEAN is inevitable, once it is integrated into the international economic system.

Singaporean Prime Minister Goh Chok Tong said in his opening speech at the summit that the day is not far off when the Indochinese countries develop extensive economic links with ASEAN. He said Vietnam is pursuing economic reforms to promote economic development.

Indonesia and the Philippines think Vietnam can be absorbed right away in certain areas.

Jusuf Wanandi of Indonesia's Centre for Strategic and International Studies, who attended the summit, said that Vietnam can participate in certain areas of ASEAN cooperation such as in functional cooperation in promoting better understanding among member countries.

Jusuf said that at the moment, it is impossible for Vietnam to participate in the Asean Free Trade Area [AFTA] given its level of economic development.

ASEAN, he said, can use the so-called "two-track" approach for countries which are on the verge of becoming new ASEAN members. The first approach is for those who can integrate into the ongoing AFTA scheme and the other is reserved for countries to participate in activities in ASEAN's non-economic area.

At the summit, ASEAN heads of government agreed to enhance awareness of ASEAN among the people in the region through the expansion of ASEAN Studies as part of Southeast Asian Studies in schools and universities.

Other areas of functional cooperation include wider involvement of women in development, protection of the environment, combatting drug trafficking, cooperation among non-government organizations and join anti-Aids campaigns.

Jusuf said these are areas in which Vietnam could participate after the signing of the treaty, as a prelude to future membership.

He said by the next summit to be held in Bangkok in early 1995, modalities and timing of the actual steps for Vietnam's ASEAN membership should be clear.

According to Vietnamese academics, Vietnam is trying to add ASEAN studies as well as other aspects of Western social science, to the curricula used by the country's top foreign service school—Institute of Foreign Relations and the Nguyen Ai Quoc Institute.

Another crucial factor that would have some influence over Vietnam's future in ASEAN is the attitude of China.

A senior Thai official, who was a member of the Thai delegation to the summit, said that some ASEAN countries are reluctant to see Vietnam joining the regional group soon purely for economic reasons but there are others who harbour this feeling for political reasons.

The official said the China factor must be taken into account in discussing Vietnam and ASEAN "because of its sheer size and its extensive relations with ASEAN."

Certain ASEAN countries want to use Vietnam to balance China's presence in Southeast Asia. He said ASEAN has elevated China's status from the previous ASEAN meeting in Kuala Lumpur for good. At the just concluded summit, ASEAN leaders agreed to invite China as the guest of ASEAN to attend the July ASEAN conference in Manila and to hold for the first time a "consultative session" with ASEAN ministers.

The confidential report to the ASEAN heads of government was very cautious in pointing out that inviting China to the ASEAN meeting for the second year in a row is in no way an indication that ASEAN is considering China as a dialogue partner.

Vice Foreign Minister Vu Khoan in a recent interview said Vietnam is ready to join ASEAN as soon as possible. He said it is better to learn and catch up with ASEAN as a member rather than be an outsider looking in.

The future of the new Southeast Asia—comprising 10 countries including the six-member ASEAN, Vietnam, Laos, Cambodia and Burma—has still a long way to go. Without Vietnam being the first non-ASEAN country to cross the border that used to divide ASEAN and Indochina and becoming an ASEAN member, the talk of a new Southeast Asia is premature.

Study Views Tourism Factor in ASEAN's GDP

BK0302025292 Bangkok THE NATION in English 30 Jan 92 p B4

[Text] The ASEAN region as an entity earned approximately US$21.2 billion in tourism receipts in 1989, of which US$2.3 billion was between members of the region, according to a study commissioned by the ASEAN Sub-Committee on Tourism.

The study, the first of its kind carried out at the pan-ASEAN level to determine the economic contribution of tourism to the regional economies, said that tourism receipts represented a solid 7.7 per cent of the ASEAN countries' gross domestic product, a figure that is continuing to increase as the industry grows.

The study, financed by the European Commission and conducted by the consulting companies CHL Consulting of Ireland and MPR GmbH of Germany, also came up with the first assessments of how tourism is contributing to regional jobs, economic development of the various parts of the non-city state ASEAN countries and local investment.

However, the study was unable to come up with figures on how much tax the tourism industry contributes to government revenues due to a lack of the necessary data.

In all the summary conclusions, the study could only state the obvious, that the tax contribution is significant.

The following is a summary of the study broken down by country.

Brunei

Although tourism contributed a relatively modest 0.62 per cent to gross domestic product in Brunei in 1989, evidence indicates that the potential to diversify economic activity based on tourism exists and it could be anticipated that the contribution of tourism to economic activity will increase in the future.

The final impact of tourism on the economy of Brunei, taking secondary effects into account, represents 0.4 to 0.6 per cent of GDP. The high propensity to import is the primary factor behind this level of impact.

The proportion that tourism represents (1.1 per cent) of all exports is small due principally to the domination of the petroleum sector.

Tourism-generated employment in Brunei accounts for 0.4 to 0.6 per cent of total employment representing 330 to 500 full-time job equivalents. Again, this is largely due to the dominance of the petroleum sector.

Indonesia

Tourism receipts accounted for 7.6 per cent of GDP in Indonesia in 1989, thereby making a significant contribution to foreign exchange earnings and helping to broaden the base of economic activity.

This in turn reduces the exposure of the Indonesian economy to the vagaries of international trade.

Taking secondary effects into account, the final impact of tourism on the Indonesian economy represented a significant 7.4 to 7.9 per cent of GDP.

International tourism receipts grew four and a half fold during the period 1980-89. As a percentage of GDP, international tourism receipts have increased throughout the period from 0.2 per cent in 1980 to a more significant 1.7 per cent in 1989.

Expenditure on international tourism by Indonesians (travelling abroad) accounts for approximately 1.0 per cent of private final consumption expenditure, although this figure has shown signs of increasing in the second half of the 1980s.

Tourism earnings in Indonesia make a useful contribution to the export of goods and services, increasing threefold over the six-year period to 1989, from 2.1 per cent in 1983 to 6.5 per cent in 1989. The corresponding figure for imports was 2.6 per cent in 1989.

The impact of tourism on the balance of payments in Indonesia has been positive for each year during the period 1986-89.

Malaysia

Tourism contributed 4.2 per cent of Malaysian GDP in 1989, a level of contribution similar to European countries. Such a contribution to foreign exchange earnings helps reduce exposure of the Malaysian economy to the vagaries of international trade.

Taking secondary multiplier effects into account, the final impact on tourism on the Malaysian economy represents 5.0 per cent of GDP.

Expenditure on tourism by Malaysians accounts for a significant proportion (9.71 per cent) of private final consumption expenditure. International tourism receipts in Malaysia grew by 91 per cent in the period 1980-89. In addition, the contribution of tourism to economic activity has steadily increased to represent 2.2 per cent of GDP in 1989. However, consumption expenditure on tourism has increased over the decade to represent 7.0 per cent of toal Malaysian consumption expenditure.

Over the six-year period to 1989, tourism earnings have accounted for between 2.9 and 4.0 per cent of exports. However, travel abroad accounts for a relatively larger proportion of imports in Malaysia, although this proportion has been declining towards the end of the 1980s, to a level of 4.2 per cent in 1989.

Over the six-year period to 1989, the impact of tourism on the balance of payments has been negative due to the relatively high level of tourist expenditure by Malaysia as part of its consumption expenditure.

An estimated 5.0 to 5.8 per cent of total employment in Malaysia is generated by tourism. This accounts for approximately 312,000 to 364,000 full-time job equivalents.

Although international tourism is relatively concentrated in three or four of the regions in Malaysia, there is further scope to foster tourism development in those regions that find it difficult to develop other economic activity. Domestic tourism is more evenly distributed.

A significant proportion of tourism spending ends up as Malaysian Government revenue due to a combination of direct and indirect taxes.

Investment in the hotel sector in Malaysia in the 11 years to 1990 has been equivalent to a compound rate of growth of 5.6 per cent annum. Such a growth rate has obvious benefits for the Malaysian economy, such as increased employment in the construction sector, as well as an increase in the number of jobs in the hotel sector.

Philippines

Tourism receipts amounted to 3.93 percent of GDP in 1989, making a significant contribution to foreign exchange earnings, helping to broaden the base of export activity and reducing the exposure of economy to the vagaries of international trade.

Taking secondary effects into account, the final impact of tourism represented 4.7 percent of GDP IN 1989.

Expenditure on tourism by Filipinos as a percentage of private consumption expenditure was low in relation to other sectors in the economy in 1989.

Tourism receipts grew by 41 percent in real terms over the period 1980-89.

Expenditure on international tourism by Filipinos represents a very small and declining proportion of private final consumption expenditure.

The proportion of tourism receipts as a percentage of exports of goods and services nearly doubled over the six year period to 1989 to 11.8 percent. The corresponding figure for imports was only 0.5 percent in 1989.

The impact on tourism on the balance of payments has been positive for each year during the period 1984-89.

Tourism-generated employment represented 4.7 percent of total employment in 1989, some 1.126 million job equivalents.

Tourism has the potential to even out regional disequilibrium in those regions where it is difficult to foster other forms of economic activity but which are rich in tourism resourcs.

A relative absence of seasonality in terms of tourist arrivals in the Philippines provides as near the ideal structure as possible for profitable investment in tourism.

Singapore

Tourism contributes a very significant 18.3 percent of GDP in Singapore and plays an important role in the Singaporean economy through its contribution to foreign exchange earnings.

The final impact of tourism on GDP at 12.3 percent, given a multiplier effect of less than unity, is all the more remarkable.

International tourism receipts have grown by 91 percent over the period 1980-89 to account for 12.2 percent of GDP in 1989. Also, expenditure by Singaporeans on international travel as a proportion of private final consumption expenditure has increased steadily throughout the period from 5.5 percent in 1980 to 8.2 percent in 1989.

International tourism receipts contribute 5.5 percent to the export of goods and services.

Tourism expenditure as a percentage of imports of goods and services remained relatively constant over the period 1984-89 around 2.0 percent.

Tourism-generated employment in Singapore accounts for 12.3 percent of total employment (1989). This represents some 160,000 full-time job eqivalents.

The number of hotel bed-rooms in Singapore grew at a rate equivalent to 7.5 percent annum in the period 1980-1989.

Thailand

Tourism receipts accounted for a very significant 8.48 percent of Thai GDP in 1989, making it a sizeable export activity with a significant contribution to foreign exchange earnings.

The final impact of tourism, taking secondary effects into account, represents 9.8 percent to 11.4 percent of GDP, an exceptionally high level by international standards.

International tourism receipts grew three-fold in the period 1980-89. In addition, the contribution tourism has made to economic activity had doubled over the same period, growing from 2.7 percent of GDP in 1980 to 5.5 percent in 1989. Also, expenditure by Thais on international tourism as a proportion of private final consumption has increased from one percent in 1980 to almost two percent in 1989.

Tourism receipts make a very significant contribution (13.9 percent in 1989) to the export of goods and services.

Tourism expenditure in Thailand has remained relatively constant (at around 2.5 percent) as a proportion of imports of goods and services over the six-year period to 1989.

In 1989, tourism-generated employment accounted for 9.8 to 11.4 percent of total employment, representing some 2.71 million to 3.14 million full-time job equivalents. Thus, a highly significant proportion of total employment in Thailand is directly or indirectly dependent on tourism.

Tourism has the potential in Thailand to level out regional imbalances in development where other economic activity cannot be fostered.

In the 11-year period to 1990, the number of hotel bedrooms in Thailand grew 3.5 times from 46,000 in 1980 to about 160,000 in 1990 with consequent increases in employment in the hotel and construction sectors of the economy.

Japan

LDP Leaders Meet With U.S. Ambassador 5 Feb

OW0502125592 Tokyo KYODO in English 1240 GMT 5 Feb 92

[Text] Tokyo, Feb. 5 KYODO—U.S. Ambassador to Japan Michael Armacost on Wednesday told executives of the ruling Liberal Democratic Party (LDP) that recent criticisms of U.S. workers were extremely dangerous for the future of Japan-U.S. relations.

In a meeting with LDP Executive Council Chairman Koko Sato, Armacost said although diplomatic relations between Japan and the U.S. are moving along smoothly, the relations are not at all smooth as portrayed by the mass media.

The U.S. ambassador said the last three or four months have been a very dangerous time for Japan-U.S. relations, LDP officials said.

He added bilateral animosity has been amplified by criticisms of U.S. workers by House of Representatives Speaker Yoshio Sakurauchi and later Prime Minister Kiichi Miyazawa.

Sakurauchi said U.S. workers are lazy and illiterate while demanding high wages and Miyazawa remarked that U.S. workers discouraged by Wall Street manipulations have lost their work ethic.

Armacost also told Yoshiro Mori, head of the LDP Policy Affairs Research Council, it is necessary to be careful in order not to err in Japan-U.S. relations.

Mori remarked Miyazawa and Sakurauchi had no intention of slandering directly U.S. citizens. The officials said Mori told Armacost, "I personally feel politicians should be careful" in making remarks.

In his meeting with Sato, Armacost also requested Japan's cooperation in successfully concluding the Uruguay Round of multilateral trade negotiations.

Sato remarked rice is an integral part of Japanese culture and that liberalization of Japanese rice markets would depend upon an improvement in the condition of Japanese agriculture.

Government 'Would Welcome' Visit by Gorbachev

OW0502075992 Tokyo KYODO in English 0722 GMT 5 Feb 92

[Text] Tokyo, Feb. 5 (KYODO)—Japan would welcome a visit by former Soviet President Mikhail Gorbachev, but no official word of a reportedly impending trip has been received, Foreign Ministry sources said Wednesday.

The sources were referring to a report Tuesday by the Russian news service INTERFAX that Gorbachev would come to Japan and the United States "within the next few months," following a visit to Western Europe "within one or two weeks."

If the visit materializes, he would most likely be received by top Japanese Government officials in recognition of his major historical accomplishments while in power, the sources said.

Gorbachev came to Japan last April, becoming the first Soviet leader ever to do so.

Bank Paves Way for Food Aid Loan to CIS

OW0502054192 Tokyo KYODO in English 0459 GMT 5 Feb 92

[Text] Tokyo, Feb. 5 KYODO—The Export-Import Bank of Japan will lend 100 million dollars for emergency food aid to the Commonwealth of Independent States (CIS), bank officials said Wednesday.

The bank had initially sought to offer a syndicate loan to the CIS with several Japanese private banks, including the Bank of Tokyo and the Industrial Bank of Japan, the officials said.

The private banks, however, were reluctant to participate because of delays in repaying the existing external debt of the former Soviet Union.

The Export-Import Bank's basic policy aimed at offering syndicate loans to the CIS is unchanged, an official at the semigovernmental bank's public relations division said.

But since the money is needed as soon as possible to secure food and medical supplies to help members of the CIS get through the winter, the Export-Import Bank will provide the loan on its own, he said.

Representatives of a group of private banks and member countries of the CIS met in Germany last month.

They reaffirmed an agreement to defer until the end of March the servicing of the principal owed to the banks and to gradually resume repayment of interest on the loans when the CIS no longer has a foreign currency shortage.

The fact that interest payments due last December have been delayed makes it difficult for private banks to extend fresh credits to the CIS, an official with a leading commercial bank said.

Watanabe, Genscher To Discuss UN Reform, CIS

OW0502112292 Tokyo KYODO in English 1112 GMT 5 Feb 92

[Text] Tokyo, Feb. 5 (KYODO)—Japanese Foreign Minister Michio Watanabe will discuss ways of enhancing the effectiveness of the United Nations when he meets his German counterpart Hans-Dietrich Genscher next Tuesday, Foreign Ministry sources Wednesday.

But the sources said the matter will be a relatively minor item on the agenda of the talks, which will focus largely on aid to the Commonwealth of Independent States (CIS) and the ramifications of European Community (EC) integration.

Genscher will arrive in Japan on Monday and leave Wednesday, during which time he will also meet with Prime Minister Kiichi Miyazawa, Minister of International Trade and Industry Kozo Watanabe, and other political leaders, they said.

The sources said it remains to be seen whether the Japanese foreign minister will specifically discuss the two countries' shared aim of seeing a change in the present configuration of the U.N. Security Council.

The council's five permanent seats and accompanying veto power are held by the United States, Russia, China, Britain, and France. Japan and nine other countries, elected by the General Assembly for two-year terms, now hold the council's nonpermanant seats.

Considering its global economic clout and preeminent role in assisting the former Soviet Union, Germany's absence at last week's historic Security Council summit was particularly conspicuous, though German officials made light of the fact.

German Chancellor Helmut Kohl said in a recent television interview he is strictly opposed to broaching the issue of a permanent seat on the Security Council for Germany, though he suggested the EC could possibly acquire one in the future.

The sources did not rule out the two ministers discussing the issue of how to rid the U.N. Charter of the so-called "enemy clauses," which indirectly brand the vanquished powers of World War II as "enemy states."

Following the United States, Japan is the second-largest dues payer to the U.N. and Germany is third.

The two ministers will likely discuss their countries' respective proposals to enhance the effectiveness of the world body and tackle the threat of proliferation of weapons technology in the wake of the Soviet Union's demise.

At the recent Security Council summit, Miyazawa called for urgent international consideration of "concrete measures" for nuclear arms management and nonproliferation of weapons of mass destruction.

The sources said Germany may be asked to cosponsor an international seminar in Tokyo on export controls for such weapons, inviting representatives from CIS republics to join.

Nuclear Experts To Inspect PRC Power Plant

OW0502092892 Tokyo KYODO in English 0902 GMT 5 Feb 92

[Text] Tokyo, Feb. 5 (KYODO)—Japan will send experts to China's first nuclear power plant in Zhejiang Province on Thursday to advise on safety operations, electric power industry officials said Wednesday.

It will be the second mission to the Qinshan Nuclear Power Plant, whose No. 1 reactor began operating last December. The previous mission visited there in December 1990.

The reactor is capable of producing 300,000 kilowatts of electricity and full operations are scheduled to begin in June.

The seven-member delegation will consist of officials from Kansai, Shikoku, and Kyushu Electric Power Companies, Japan Atomic Power Co., and Mitsubishi Heavy Industries Ltd. The tour will last 12 days.

Other nuclear power plants are under construction in Guangdong Province and the building of more plants is planned in Liaoning Province. Additional construction at Qinshan is also being planned.

The officials said the shortage of electricity in China is becoming a serious problem amid the country's industrialization. China is hoping to produce six million kilowatts of electricity from nuclear energy by 2000, they said.

Government To Extend New Financial Aid to Peru

OW0502114792 Tokyo KYODO in English 1131 GMT 5 Feb 92

[Text] Tokyo, Feb. 5 (KYODO)—Japan will provide fresh financial aid to Peru to help reconstruct its economy during Peruvian President Alberto Fujimori's visit next month, government officials said Wednesday.

The government will decide on an assistance plan for Peru as part of Japan's official development assistance this month, the officials said.

Japan has so far offered 400 million dollars in loans to Peru in December.

Fujimori will stay in Japan for five or six days during which time he will meet Prime Minister Kiichi Miyazawa, Emperor Akihito, and Empress Michiko.

It will be his first official visit to Japan since taking office in July 1990. He made an unofficial visit to Tokyo last April.

Prosecutors Release Fumio Abe After Bail Posted

OW0502054292 Tokyo KYODO in English 0511 GMT 5 Feb 92

[Text] Tokyo, Feb. 5 KYODO—Prosecutors released former State Minister Fumio Abe from prison Wednesday after his defense counsel paid a bail of 50 million yen.

Abe's defense counsel deposited the 50 million yen in cash at a bank office within the Tokyo district court house, court officials said.

The Tokyo District Court issued an order Tuesday to free Abe on bail from the Tokyo Detention House, where he has been detained since his arrest on January 13 on suspicion of taking a bribe from a now defunct steel frame maker.

The court issued the release order Tuesday afternoon despite opposition from prosecutors. But Abe failed to pay the bail money that day.

The Tokyo District Public Prosecutor's Office on Saturday indicted Abe on a bribery charge for allegedly taking 80 million yen from the maker, Kyowa Co.

The 69-year-old Abe, a close ally of Prime Minister Kiichi Miyazawa, served as director general of the Hokkaido and Okinawa Development Agencies from August 1989 to February 1990 in the cabinet of former Prime Minister Toshiki Kaifu.

A veteran member of the House of Representatives, Abe was secretary general of the Liberal Democratic Party's second-largest faction led by Miyazawa from last April to December.

Upon his arrest, he left both the ruling party and the Miyazawa faction.

It was the first arrest of an incumbent Diet member since the 1976 Lockheed payoff scandal. In the 1988-1989 Recruit stock-for-favors scandal, some politicians were indicted without being taken into custody.

Former Prime Minister Kakuei Tanaka was arrested in 1976 and later convicted of taking 500 million yen in bribes from Lockheed Corp. of the United States. Two other senior LDP legislators were also apprehended in the same scandal.

Abe said in a statement after he was released that he deeply regrets being charged in the scandal and that he is determined to prove his innocence in court.

"I cannot understand the measure taken against me," he said in the statement read by his secretary. "I am strongly convinced that doubts cast against me will be cleared away at court."

He also said his diabetes is getting worse and that doctors advised him to receive treatment.

Diet Business Stalls on Bribery Case Witnesses

OW0502054092 Tokyo KYODO in English 0304 GMT 5 Feb 92

[Text] Tokyo, Feb. 5 KYODO—Diet business came to a halt Wednesday as opposition parties refused to resume debates in protest against the ruling party's refusal to subpoena former Prime Minister Zenko Suzuki and 17 other witnesses to testify on bribery scandals.

In a backstage meeting of representatives of the governing Liberal Democratic Party (LDP) and opposition groups, the LDP again rejected an opposition demand to summon Suzuki, Jun Shiozaki, former director general of the Management and Coordination Agency, and other witnesses, political sources said.

Opposition parties vowed to keep up their boycott of budgetary deliberations unless the LDP agrees to cooperate with their efforts to uncover the alleged implications in scandals of several senior LDP politicians, including Prime Minister Kiichi Miyazawa himself.

Five opposition parties were unanimous in their demands for the summoning of Shiozaki, who in a letter to prosecutors reportedly acknowledged receiving some 20 million yen from Kyowa Co., a defunct steel frame maker, in exchange for using his influence [words indistinct] former Marubeni Corp. [words indistinct] his acquaintance, [words indistinct] after former cabinet minister Fumio Abe asked for Shiozaki's intervention on Kyowa's behalf.

Abe, former director general of the Hokkaido Development Agency, was charged with bribery last week for allegedly using his influence in boosting Kyowa's business chances on public works projects under Abe's administrative jurisdiction.

Suzuki, former leader of the Miyazawa faction to which Abe belonged, received rewards from Kyowa for his consent to assume the chairmanship of an exclusive private leisure club planned by Kyowa, according to mass media reports.

The five opposition parties also demanded that Miyazawa's former secretary Tsuneo Hattori and incumbent secretary Masao Matsumoto be subpoenaed to testify on Miyazawa's alleged implication in the Recruit stocks-for-favors scandal.

Opposition demands for the summoning of the two aides of Miyazawa added fuel to recent press reports stating that Matsumoto, not Hattori, remitted money for prelisted shares offered at cut-rate prices by Recruit Cosmos Co.

Diet sources said the opposition boycott may continue to stall Diet deliberations until Monday.

Kanemaru Skeptical About Simultaneous Elections

OW0502102592 Tokyo KYODO in English 1007 GMT 5 Feb 92

[Text] Tokyo, Feb. 5 (KYODO)—Vice President Shin Kanemaru of the ruling Liberal Democratic Party (LDP) expressed skepticism Wednesday about simultaneous elections for both houses of the Japanese parliament this summer.

"(Simultaneous elections for both houses) will be considered as a tactic if Diet business has bogged down," Kanemaru said in a speech at a study meeting of LDP members in Tokyo.

But he said the party sees no advantage for holding double elections at this time.

Half of the 252 seats of the House of Councillors are up for grabs in the July election.

Kanemaru called for reshaping the current Japanese political structure, saying the LDP should form a coalition with three major oppositions—the Social Democratic Party [SDP], Komeito, and the Democratic Socialist Party—after the upper house election.

"The SDP should cut down its leftist faction," he said.

Kanemaru, one of the powerbrokers within the LDP, assumed the party's vice presidential post at Prime Minister Kiichi Miyazawa's request in early January.

He was instrumental in ensuring Miyazawa's victory in the party's presidential election last October.

Nippon Oil Plans To Expand Storage Facilities

OW0502105092 Tokyo KYODO in English 1037 GMT 5 Feb 92

[Text] Tokyo, Feb. 5 (KYODO)—Nippon Oil Co., Japan's top distributor of oil products, said Wednesday it will expand its oil storage facilities, which have the world's largest holding capacity, at a cost of 30 billion yen.

The company said the storage site, located in Kiire in Kagoshima Prefecture, will have a storage capacity of 8.3 million kiloliters, up one million kiloliters, when the project is completed in 1997.

The expansion program is designed to meet the need for greater storage capacity resulting from a joint Japanese-Saudi Arabian oil refining project in which Nippon Oil is involved, an industry source said.

The project will start next year with completion scheduled for the summer of 1997.

The company said the project calls for construction of six new storage tanks each with a capacity of 170,000 kiloliters on a reclaimed site adjacent to the existing Kiire Base.

The facility is currently equipped with 56 tanks with a total storage capacity of 7.3 million kiloliters, the company said.

Isuzu Reduces 1992 Domestic Sales Target

OW0502095792 Tokyo KYODO in English 0854 GMT 5 Feb 92

[Text] Tokyo, Feb. 5 (KYODO)—Isuzu Motors Ltd., a Japanese automaker undergoing financial reconstruction, said Wednesday it has set a lower target for domestic vehicle sales for 1992 in view of the severe market environment.

The Tokyo-based company, of which General Motors Corp. of the United States holds a 37.5 percent share, said it has projected domestic sales of 183,000 cars and commercial vehicles, down 5.2 percent from the previous year.

The company said it expects sales of mini-sized commercial vehicles to increase 3.3 percent to 119,000 vehicles, but those of trucks to decrease 5.5 percent to 44,000.

Sales of passenger cars are expected to plummet 36.0 percent to 20,000, the company said.

Isuzu President Kazuhira Seki said the company will try to boost its market share by limiting the sales decline as much as possible.

Isuzu said its exports are expected to surge 14.6 percent to 325,000 vehicles, spurred by recovery of demand in Southeast Asia.

Truck Manufacturers To Reduce Temporary Workers

OW0502095192 Tokyo KYODO in English 0931 GMT 5 Feb 92

[Text] Tokyo, Feb. 5 (KYODO)—Due to slower sales of trucks, major truck manufacturers are announcing plans to cut the number of their workers with term-contracts.

Hino Motors Ltd., which had 2,600 temporary workers last June, gradually reduced the number to 2,200 by January, and plans to further cut the figure to 2,000 by around May.

Nissan Diesel Motor Co. trimmed the number of its temporary workers by 100 last month to 900, and plans to cut another 200 by March.

Mitsubishi Motors Corp. now has 3,500 such workers, compared with 4,000 at the beginning of 1991.

Isuzu Motors Ltd., currently undergoing financial reconstruction, hopes to cut the number of its temporary workers by 1,200-1,300 from 3,000 by fall next year.

Supported by expansion of domestic demand, sales of trucks began to grow sharply from 1987 and reached 192,000 in 1990, the second-highest figure in history.

But sales began to drop on a year-on-year basis last June. In January, 10,535 trucks were sold, down 17.7 percent from a year earlier.

Truck makers do not expect a recovery in truck demand for the time being.

Nikkeiren, Keidanren Align To Cut Work Hours

OW0502095592 Tokyo KYODO in English 0855 GMT 5 Feb 92

[Text] Tokyo, Feb. 5 (KYODO)—The head of the Japan Federation of Employers' Associations (Nikkeiren) said Wednesday his group will cooperate with the Federation of Economic Organizations (Keidanren) on cutting working hours.

Takeshi Nagano, president of the employers' group, told reporters that reducing working hours should be approached on the policy level and should not be considered merely a labor problem.

Nagano voiced support for Keidanren's policy to improve living conditions, a goal also expressed by Prime Minister Kiichi Miyazawa.

North Korea

Government, SPA Committees Approve Declaration

SK0502104292 Pyongyang Korean Central Broadcasting Network in Korean 0900 GMT 5 Feb 92

[Report on joint meeting of the Central People's Committee and the Standing Committee of the Supreme People's Assembly, SPA, of the DRPK, held in Pyongyang on 5 February—read by announcer]

[Text] A joint meeting of the Central People's Committee [CPC] and the Standing Committee of the Supreme People's Assembly [SPA] of the DRPK was held in Pyongyang on 5 February 1992.

Members of the DPRK CPC and members of the DPRK SPA Standing Committee attended. Delegates to the North-South high-level talks also attended the joint meeting.

The meeting deliberated the Joint Declaration on Denuclearization of the Korean Peninsula which was adopted on 20 January.

The joint meeting appraised the joint declaration as a historical document with momentous significance in removing the nuclear threat and the danger of nuclear war from the Korean peninsula, in creating conditions and circumstances favorable for peace and peaceful reunification, and in contributing to peace and security in Asia and the rest of the world.

The joint meeting noted that the great leader Comrade Kim Il-song and our party's far-sighted intention to lead our nation to a free and peaceful new world free of war and nuclear weapons has been applied to the Joint Declaration on the Denuclearization of the Korean Peninsula. The joint meeting pointed out that a position of peace against war and a non-nuclear policy against nuclear weapons, which our government has consistently maintained, have been reflected in the Joint Declaration on the Denuclearization of the Korean Peninsula.

The joint meeting noted that the adoption and the announcement of the joint declaration, the basic content of which removes the danger of a nuclear war, signify great progress in realizing peace and denuclearization on the Korean peninsula and in the Asian-Pacific region; they are a victory of a peaceful line against a war line; and they clearly prove the validity and vitality of our republic's nonnuclear policy on nuclear weapons.

The joint meeting pointed out that the adoption and announcement of the joint declaration has created a realistic possibility for removing the nuclear danger hovering over our nation.

The joint meeting stressed that the North and the South must take concrete working-level measures to sincerely discharge the joint declaration.

In addition, the joint meeting stressed that countries in possession of nuclear weapons should legally guarantee the denuclearization of the Korean peninsula and that neighboring countries should respect the North-South joint declaration and support the denuclearization of the Korean peninsula.

After acknowledging that the Joint Declaration of the Denuclearization of the Korean Peninsula accords with the whole nation's desire to withdraw nuclear weapons from the Korean peninsula, to remove the nuclear threat to our people, and to realize the denuclearization of our country, as well as with the world peace-loving people's aspiration to build a new world free of nuclear war, the joint meeting approved the joint declaration on the denuclearization of the Korean peninsula.

Kim Chong-il Talk Reaffirms Socialist Principles

SK0402072992 Pyongyang KCNA in English 0647 GMT 4 Feb 92

[Text] Pyongyang February 4 (KCNA)—"Historical Lesson in Building Socialism and the General Line of Our Party," a talk of the dear leader Comrade Kim Chong-il to the senior officials of the Central Committee of the Workers' Party of Korea [WPK] on January 3, 1992, was made public.

The February 4 issue of NODONG SINMUN, the organ of the Central Committee of the Workers' Party of Korea, devotes its first three pages to the talk.

Follows the full text of the talk:

1. Historical Lesson in Building Socialism

Firmly defending the cause of socialism and advancing it triumphantly today is a very important matter which concerns the destiny of mankind.

Socialism has suffered a setback and capitalism has revived in some countries in recent years; and a short time ago the Soviet Union broke up and ended its existence. In this connection, the imperialists and reactionaries are advertising that capitalism has "triumphed" and socialism has come to an "end". This is causing ideological confusion among some people who do not correctly understand the situation, and affecting seriously the development of the world revolution. Now it is an urgent historic task to learn a lesson from the prevailing situation, reconstruct the socialist movement on a new basis and lead the cause of socialism to an upsurge.

The cause of socialism is a just cause for realizing the independence of the popular masses; it is an inexorable law of historical development that mankind advances toward socialism. Although there may be twists and turns in the course of the development of socialism, the direction of historical development cannot change. Describing the frustration of socialism in some countries as a change in historical trend, the imperialists and the renegades of socialism are arguing that the idea of socialism is invalid and that it was a mistake to have carried out the socialist revolution itself. That is a reactionary argument.

The popular masses desired a new, independent society free from exploitation and oppression for a long time and waged an arduous struggle for its realization. In the course of this Marxism, a doctrine of socialism and communism, came into being, and the October socialist revolution emerged victorious as a result of the struggle guided by this doctrine. Since then socialism has spread worldwide, and the socialist countries have attained in a historically short period such great socio-economic progress which would have been impossible even in hundreds of years under capitalism. Such process of historical development has shown that the idea of socialism is valid and that socialism is incomparably superior to capitalism.

How, then, should we view the recent frustration of socialism and the revival of capitalism in some of those countries which had been advancing along the road of socialism?

The path to socialism is an untrodden path that has to be blazed; it is a thorny path of revolution that has to advance in relentless confrontation with, and through the uncompromising struggle against, imperialism. Therefore, difficulties and trials are inevitable in the advance of socialism, and an unexpected situation may also crop up. The frustration of socialism and revival of capitalism in some countries, when viewed in the light of the main current of historical development, is only a local and passing phenomenon. However, we can never regard this as an accidental phenomenon, nor can we consider that this has been caused merely by an external factor.

As the great leader always says, when anything is wrong with us we must find the reason in ourselves, not elsewhere. That is the attitude of a revolutionary and the right way of rectifying the mistake. Only when we correctly ascertain the cause of the frustration of socialism with this viewpoint and attitude and learn a lesson from it can we defend and advance the cause of socialism.

In short, the basic reason for the frustration of socialism in some countries which had been building socialism, is that they did not put the main emphasis on strengthening the motive force of building socialism and on enhancing its role because they failed to understand the essence of socialism by centering on the popular masses, the makers of history.

Socialist society is a society in which the popular masses are the masters; it is a society which is developed by the creativity of the popular masses that are united as one. The essence of the socialist society which differs from all exploitative societies and the driving force which propels the progress of the socialist society lie in the fact that the popular masses work in comradely unity and with a high degree of consciousness, and ability as the masters. Therefore, the basic way of successfully promoting the building of socialism is to strengthen the motive force of the revolution by educating the popular masses in a communist way through giving priority to the work of transforming man and by rallying them firmly behind the party and to enhance the role of the driving force by giving the fullest play to the revolutionary zeal and creativity of the masses. There can be no other adroit way of promoting socialist construction. However, the people of some countries did not understand this truth correctly.

On which principle and how socialism should be built after the establishment of the socialist system was a historic task that challenged the parties leading the building of socialism—a task that required a fresh solution. This was an important question which was also connected with the problem of how to overcome the historical limitations of the communist theory of the previous age.

Marxism is a revolutionary doctrine which represented the times when the working class emerged on the historical arena and waged a struggle against capital. As such it made an immortal contribution to liquidating the exploiting class and the exploitative system and realizing class liberation of the popular masses. However, times have changed and history has developed, so Marxism cannot but has historical limitations. Marxism, in a nutshell, can be said to be a doctrine which clarified the conditions for realizing the liberation of the working class on the basis of the materialistic conception of history. Regarding the process of social development as a process of natural history, Marxism expounded the theory that production relations develop with the development of productive forces, that the economic system, the ensemble of production relations, forms the basis of the society concerned, and that the super-structure stands on the basis. On this premise Marxism views that the mode of production of material wealth is the decisive factor which defines the character of society and the level of its development, and that the process of social development is a process of changing an old mode of production into a new one, a process in which the contradictions between the productive forces and the production relations are resolved through the class struggle. Proceeding from these principles, it recognizes that, if the socialist mode of production is established, the social revolution which transforms capitalism into socialism is completed, and that, since the difference in the high and low stages of communism is attributed to the difference in the levels of the development of productive forces, communism, man's ideal society, can be realized only when productive forces are developed by building the economy after the establishment of the socialist system. In conclusion, Marxism could not give a correct answer to the question of building socialist and communist society by continuing the revolution after the establishment of the socialist system. Historically, Marxism is an idea and theory representing the requirement of the initial stage of the socialist cause and did not raise it as an immediate task to clarify the detailed ways and means of building socialism and communism; neither social conditions for doing it nor the practical experience existed at that time.

For the successful building of socialism and communism after the establishment of the socialist system, the parties leading the building of socialism should have developed the theory of communism in accordance with the requirements of the new stage of the development of socialism and, on the basis of this, formulated a correct line and policies. However, the parties of some countries which had been building socialism in the past failed to carry out this historical task correctly. As a result, some of these parties applied the existing theory dogmatically, failing to see its historical limitations, claiming that they were building socialism with Marxism as their guiding principle. Some other parties denied the revolutionary essence of Marxism and pursued a revisionistic policy.

Those who had not got rid of the dogmatic understanding of the existing theory viewed that the nature and superiority of socialist society were defined not by the popular masses who had the socialist idea but by socialist government and by the socialist relations of ownership; they also sought the driving force of socialist construction in the economic factor, that is, the adaptation of the production relations to the productive forces. Needless to say, the establishment of socialist government and of the relations of socialist ownership of the means of production creates the socio-political and economic conditions for guaranteeing the position and role of the master to the masses of the people and rapidly developing the productive forces. This is a great advantage of socialism over capitalism. But these political and economic conditions themselves are not the decisive factor in propelling the development of socialist society. As regards the development of the productive forces, the working masses, who are directly responsible for production, play a leading and active role in developing them; unless their voluntary enthusiasm and creative power are increased, it is impossible to develop the productive forces at a steady, high rate, even though the socialist relations of production have been established.

The people with the socialist idea, the socialist government and the socialist economic system are closely related, and here people with the socialist idea are essential. The historical process of the establishment of the socialist system shows that the socialist idea comes into being first in the course of the struggle against exploitation and oppression, the people with this idea organize a revolutionary party, the party sets up a socialist government by politically awakening the masses of people and organizing them, and then, relying on the socialist power, it establishes the socialist economic system. The socialist economic system cannot be maintained or managed to conform with its nature, apart from the socialist government, and the socialist government can neither keep its existence nor play its function in keeping with its nature, if it is separated from the people with the socialist idea. In the light of this, it is clear that the popular masses who are equipped with the socialist idea are always the decisive factor in the development of the socialist society and its destiny. However, some countries had believed that socialism could be built if they only expedited economic construction holding the state power and the means of production under their control, and had not put their primary effort into the transformation of people to enhance their ideological and cultural levels rapidly and prepare them fully as the driving force of the revolution and construction. As a consequence, the popular masses, the masters of the socialist society, could not fully play their role as such; in the long run, economic construction was not successful and all the spheres of the society fell into stagnation.

Worse still, they did not pay due attention to establishing a popular mode of government suited to the intrinsic requirements of the socialist society, and so weakened the unity and cohesion of the people and failed to give full play to their creativity. Whether or not the popular masses have become the genuine masters of politics in the socialist society and participate in the management of the state and society with an attitude befitting masters, is the most important question decision of the consolidation and development of the socialist system and the success of socialist construction. However, in some countries in which socialist power had been allegedly established, they still followed in the wake of the mode of politics of the old societies in practice. As a result, the management of the state and society had become an undertaking of privileged people and had been conducted in isolation from the popular masses.

their masters. This gave rise to the growth of bureaucratism, and produced the grave consequence of holding the people's creativity in check, impairing the masses' trust in the party and the state and undermining the unity of the popular masses.

In the long run, socialism in these countries was deprived of the powerful driving force of its development and could not have a firm socio-political foundation. The socialism devoid of a strong motive force can neither display its superiority and might nor break through the challenges and trials on the way of its advance. Historical facts show that even a large country with a strong military power and an enormous economic potential will inevitably collapse, unable to withstand the anti-socialist offensive of the imperialists and reactionaries if it fails to strengthen the driving force of socialist construction and enhance its role. The frustration of socialism in these countries in the face of the imperialist and reactionary anti-socialist onslaught should be regarded as an inevitable consequence of their failure to strengthen the driving force of socialist construction and enhance its role.

Another reason why socialism in some countries was frustrated is that they had failed to see the qualitative differences between socialism and capitalism and had not adhered consistently to the fundamental principles of socialism.

In order to accomplish the socialist cause we must consistently maintain the socialist principle in the revolution and construction. To defend thoroughly and meet the popular masses' desire for independence and their interests is the fundamental principle that should be invariably maintained in socialist construction. Socialist society is a society which meets the intrinsic requirements of the popular masses to abolish the exploitation and oppression of man by man and lead an independent life equally; and the process of building socialism and communism is precisely the process of realizing the full independence of the popular masses. Therefore, in leading socialist construction the working-class party must firmly defend the popular masses' desire for independence and their interests and solve all problems arising in the revolution and construction thoroughly in their fundamental interests.

In order to build socialism to meet the masses' desire for independence and their fundamental interests it is imperative to strengthen the working-class party organizationally and ideologically, firmly ensure its leadership over the revolution and construction, steadily enhance the function and role of the socialist power, safeguard and develop socialist ownership and resolutely fight against imperialism. This is a revolutionary principle which must never be compromised. In the course of building socialism one may commit minor errors but the working-class party which is responsible for the destiny of the popular masses must on no account give up the fundamental principles of socialism. Since the circumstances and conditions of the revolutionary struggle change in the course of building socialism and communism, one should develop creatively one's line and policy in conformity with the change but should never deviate from these revolutionary and working-class principles. The circumstances and conditions of the revolutionary struggle can change, but the basic ideas and demands of socialism cannot alter. In the struggle for socialism against capitalism the abandonment of the revolutionary principles means precisely surrender and treachery.

In the past the people in some countries that were building socialism wavered before the passing difficulties in the course of building socialism and went so far as to yield to the pressure of the imperialists, gradually concede and give up the revolutionary principles because they lacked confidence in socialism and their working-class stand was weak. These countries neglected the work of strengthening the working-class party, weakened its leading role and the function of the unified leadership of the socialist state, adopted the capitalist relations of ownership and capitalist methods of economic management and compromised with imperialism in an unprincipled manner, instead of fighting against it. As a result of the revisionist policy, society became gradually degenerated and the degeneration of socialism was further accelerated by introducing "pluralism," on the pretext of "reform" and "restructure" of socialism.

"Pluralism" can never be tolerated in socialist society. "Liberalism" in ideology, a "multiparty system" in politics and "diversity" in the form of ownership which the "pluralism" advocates are the mode of politics characteristic of capitalist society in which competition for survival is dominant on the basis of individualism and liberalism. The socialist society is based on collectivism, and regards the unity of the popular masses as its lifeblood; therefore, socialism cannot be compatible with "pluralism." Introduction of "pluralism" into socialist society fosters individualism and liberalism to encroach upon the common interests of society, break the unity and cohesion of the masses of the people and produce social disorder and chaos. Permitting liberalism in ideology and a multiparty system in politics in socialist society is, in the long run, to open a road to the counterrevolutionary manoeuvres aimed at demolishing the foundation of the socialist society and overthrowing the people's government.

A struggle in the sphere of ideology is the prelude to a political struggle, and naturally develops into the struggle to seize power. Historical experience shows clearly that if anti-socialist ideas are disseminated by liberalizing ideology, and the activities of anti-socialist parties are guaranteed through the tolerance of "multiparty democracy," the class enemies and reactionaries will raise their heads, commit anti-socialist acts and come to drive the working-class party out of power.

Contemporary revisionists, harbouring illusions about capitalism, discarded the socialist principles completely and fully introduced the capitalist mode of politics and economic system so that socialism has suffered frustration and capitalism has revived. One-step concession and retreat from the socialist principles has resulted in ten- and a hundred-step concessions and retreat, and, finally, invited the grave consequence of ruining the working-class parties themselves.

The frustration of socialism in some countries is also due to the fact that these socialist countries had not strengthened international solidarity based on independence in the relations between their parties.

It is the basic principle that must be adhered to by the parties of the socialist countries in their relations to unite and cooperate with one another on the basis of independence and maintain independence while strengthening international solidarity. Independence is the lifeblood of a country and a nation. Socialism and communism is built with each country and nation as a unit; a revolution in each country is carried out by the party and people of that country on their own responsibility. It is an inviolable right of the party of each country to map out the line and policy to suit the specific situation of its own country and implement them in an independent way. Adherence to independence by the party of each country never contradicts the matter of strengthening international solidarity with the parties of other countries. The cause of socialism is the national cause of the people of each country as well as an international cause. The communist or workers' party in each country has the right to defend its own independence and, at the same time, is in duty bound to respect the independence of its counterparts in other countries, unite and cooperate with one another in a comradely manner for the victory of the socialist cause.

In the international communist movement there are parties of big or small countries as well as younger and older parties. It is undeniable that the parties of big countries are stronger than those of small countries and, accordingly, are capable of making greater contribution to the common cause. The parties of big countries must be aware of greater responsibility for defending and developing the international communist movement. It is natural for them to help their fraternal parties selflessly and play a bigger role in carrying out the common cause. Nevertheless, they must never fall into great-power chauvinism. There can be no higher or lower parties or leading or led parties. Time is long gone when there was the centre in the international communist movement and the party of each country acted as its branch. The parties of the socialist countries must naturally cooperate with one another in a comradely manner on the principles of complete equality and independence. But in the past parties in some socialist countries did great harm to the development of the international communist movement by failing to rid themselves of the old customs of the communist international. The party of a certain country posed itself as the "centre" of the international communist movement, ordering other parties to do this or that. It conducted such an act without hesitation as putting pressure upon other parties and interfering in their internal affairs if they refused to follow its wrong line. In consequence, the ideological unity and comradely relations of cooperation between the socialist countries were extremely weakened, and this made it impossible for these countries to counter imperialism with a united force. The parties of some countries yielded to the pressure of the great powers and acted under the baton of others without self-determination, with the result that they meekly accepted revisionism when the big countries took to revisionism and also accepted "reform" and "restructure" when others did so. Therefore, in the Soviet Union and East European countries socialism was frustrated in succession, which is a serious state of affairs. As the great leader said a long time ago, if a man turns to flunkeyism he becomes an idiot, if a nation takes to flunkeyism the country goes to ruin, and if a party follows flunkeyism it makes a mess of the revolution and construction. The fact that some countries made a mess of socialism while taking to flunkeyism eloquently proves how valid the leader's teaching is.

Historical experience shows that when people steadily strengthen the driving force of revolution with a strong conviction of socialism and a correct guideline, hold fast to the socialist principle in any circumstances and strengthen comradely unity and cooperation on the basis of independence, the socialist cause will advance along the road of victory, but otherwise it will suffer setbacks and frustrations. This is a serious lesson mankind has learned on its road to socialism.

2. The Validity of the General Line of Our Party Concerning the Construction of Socialism and Communism

The great leader Comrade Kim Il-song has put forward an outstanding ideology on the basis of the chuche idea for the first time in history that the three revolutions plus the people's government means communism. To thoroughly carry out the ideological, technical and cultural revolutions while strengthening the people's government and steadily enhancing its function and role is the general line of building socialism and communism set forth by the leader. Based on the original elucidation of the features of the socialist and communist society and the law-governed process of its realization, he clearly expounded the revolutionary principle and scientific ways of building socialism and communism and thus newly developed a communist theory, and has led their implementation wisely so that it is realised in our country. This is a great historical contribution which the leader made to carrying out the cause of independence of the popular masses.

The general line set forth by the great leader is an absolutely scientific and revolutionary one which illumined the road of accomplishing the socialist cause and realizing completely the independence of the popular masses by embodying the chuche idea.

Our party's general line on the construction of socialism and communism is based on the man-centred, social-historical principle.

Society, in a nutshell, is a collective of people.

The community whereby people live, linked together by social wealth and social relations—this is precisely the society. The masters of society are virtually people. They are social beings who carve out their destiny independently and creatively with independence, creativity and consciousness. The standard of social development is defined by to what extent the people's independence, creativity and consciousness are displayed. Social wealth increases as the people's independent ideological consciousness and creativity rise and social relations develop in consonance with this. Hence, we must not view society with the stress on material conditions but view it with the people as the centre. We also must not view the process of social development as the process of spontaneity, but as the process of the independent and creative activities of the popular masses, the driving force of the social movement. From this point of view, we can say that communist society is a society where all the people are finally freed from all sorts of fetters and they become the full-fledged masters of nature, society and themselves. In communist society all the members of society will become social beings fully and comprehensively equipped with the independent ideological consciousness and the creativity to fit in with the social character of man. Productivity will reach a high level, able to materially ensure man's independent and creative activities in all fields of social life. Accordingly, the social relations will turn into the perfectly collective social relations whereby the whole of society forms a social-political organism and both the individual and the community are provided with independence. In a word, communist society is a society whereby the popular masses are provided with full independence. Socialist society is the low stage of communist society.

In order to build socialism and communism, we must continue with the revolution even after the socialist revolution has emerged victorious and the socialist system has been established.

In the building of socialism and communism, the materialization of communist society is the ultimate goal, whereas the establishment of the socialist system is its starting-point. When we say that the socialist system has been established, this means that with the establishment of a socialist government and of the socialist relations of production the skeleton of a new society, where the popular masses have become masters, has been formed.

Viewed from the progress of human society, the establishment of the socialist system was a historic reform. But viewed from the process of socialist and communist construction, it is nothing but a beginning.

The fledgling socialist society which emerged with the establishment of the socialist system is a new society with communist elements. At the same time, it is a transitional society with many remnants of the old society.

Therefore, if we are to successfully build socialism and communism following the establishment of socialist society, we must make every possible effort to transform the people, nature and society on communist lines on the principle of developing the communist elements of socialist society and overcoming its transitional elements.

In order to build socialism, we must press ahead with the work to reform the people, so that they will develop into men of a communist type who are able to discharge their responsibility and role as masters of the state and society. We must also carry out projects for harnessing nature to lay a strong foundation, able to materially ensure the socialist life. Along with this, we must reform all social relations, as required by the socialist society, and thus bring the socialist state and social system to perfection. Only when socialism is firmly chuche-oriented, when material and technological foundations of socialism are firmly laid and when all aspects of social life are managed and operated in a socialist way, can we say that socialism has assumed its full appearance.

The primary task to be fulfilled after the establishment of the socialist system is to ensure that the popular masses perform their responsibility and play their role as masters of the state and society by raising their ideological consciousness and creativity.

If the popular masses who have become masters of the state and society following the establishment of the socialist system are to perform their responsibility and role, they must have high ideological consciousness and creativity corresponding to the position and role of master.

The ideological and spiritual traits and qualities to be possessed by the popular masses after the establishment of the socialist system should be qualitatively different from those of the previous days. It was important for them to have high class consciousness and fighting spirit when they fought to overthrow the old system of exploitation and establish the socialist system. However, what is most important in the days of socialist construction is to equip themselves with collectivism which requires placing the interests of the state and society above those of individuals and devote themselves to this end. And, it was important to have the fighting spirit for destroying the counterrevolutionary violence by the reactionary ruling class in the struggle to overthrow the old system of exploitation. But in order to build socialism, it was absolutely essential to possess the ability to transform nature, social relations and man himself on communist lines.

If the people do not actively participate in joint productive labour, regarding the private ownership dearer than the collective ownership after the establishment of the socialist system because they lack in collectivism or do not run the state and the economy properly because they fail to have a high degree of creativity as befitting masters of the state and society, the socialist society will virtually become a society without its master, and under such situation, socialism can neither display its advantages nor can it develop.

For the popular masses to have high ideological consciousness and creativity as required by socialist society, the ideological and cultural revolutions should be pushed ahead dynamically. Through these revolutions, the people are liberated from the outmoded idea and cultural backwardness and work is carried out to make them men of a communist type equipped with communist ideology and high cultural standards.

The ideological revolution is aimed at building up our own force of the socialist and communist society by equipping the people with the independent ideological consciousness and it constitutes the foundation for reforming the people. Re-educating man is, in essence, to remold his consciousness. Our party separated ideology from the culture in general and advanced a theory on ideology that ideological consciousness decides everything. That ideological consciousness decides everything means that it is a decisive factor which determines the action of man.

The ideological consciousness of people is not transformed of its own accord. It is wrong to think that a change in the social system and material conditions will inevitably be followed by a change in the ideological consciousness of people, viewing the ideological consciousness as a simple reflection of the reality. Although a change in the objective conditions affects the development of the ideological consciousness of people to some extent, the establishment of the socialist system and the growth in material wealth do not mean that people follow the communist idea spontaneously. As exploitation and oppression are abolished and the people's material standard improves, the ideological education should be intensified still further.

If we fail to do so, the revolutionary spirit of the people may be weakened and an easy-going ideological tendency to live in comfort may grow gradually among them. The success in socialist construction and the destiny of socialism are decided by whether or not we root up selfishness and all other obsolete ideas in the minds of the people and imbue them with a communist revolutionary idea. It can be said that money is vital in capitalist society which is guided by a principle that material is almighty, whereas ideology is vital in socialist society where the people are its master. If the popular masses equip themselves with a socialist idea and unite as one on its basis, socialism will emerge victorious and, if they are subject to ideological maladies, socialism is ruined.

The advantage of socialist society over capitalist society is that of ideology and the might of socialism is also that of ideology. Therefore, neglecting the ideological revolution is tantamount to losing the lifeline in socialist construction.

In building socialism our party has set the ideological revolution as the most important task and is invariably maintaining the principle of giving it definite precedence and is keeping the ideological revolution in a constant in-depth development in line with the progress of the revolution and construction.

What is basic in carrying out the ideological revolution is to firmly equip all the people with the revolutionary idea of our party, the chuche idea, and, on this basis, to achieve the firm ideological unity of the whole society.

Equipping all the members of society with one revolutionary idea and achieving ideological unity on this basis is the essential demand of socialist society and the most important task for the successful building of socialism. In capitalist society where the class positions of the people differ from each other and their interests are in conflict with each other, the people cannot equip themselves with one idea and ideological and political unity of society can hardly be thinkable. On the contrary, the capitalist class deliberately spreads various reactionary ideas to prevent the working people from being ideologically awakened and united. However, in socialist society all the members of society can be equipped with a communist revolutionary idea and the unity and cohesion of the whole society can be achieved on its basis, because all of them have a common goal and interests aspiring after socialism and communism. Only then is it possible to prepare the reliable driving force of the revolution and to constantly enhance its role.

The driving force of the revolution is none other than the integral whole of the leader, the party and the masses. In carrying out the ideological revolution, our party lays stress on equipping the people with the revolutionary outlooks on the leader, the organisation and the masses and on uniting them behind the party and the leader to make them a social-political organism that shares the fate with each other.

The revolutionary outlooks on the leader, the organization and the masses are a unique conception which is based on the scientific clarification of the independent driving force of the revolution.

The leader is the centre of the social-political organism and the top brain, who embodies the will of the masses. The relations between the leader and the masses are the close ties of kinship within the social-political organism combined with the revolutionary idea and comradeship. Just as we cannot think of the brain separated from the organic body, so we cannot think of the leader separated from the masses and vice versa.

The glorious history of our people's struggle proves that when there is the wise guidance of the outstanding leader and the masses remain loyal to the leader's guidance, the revolutionary cause is invincible. In the grim days of

Japanese imperialist rule, our people could not but shed blood in vain at first as they had not their genuine leader, although they had turned out in the liberation struggle. It was only after they had the great leader, Comrade Kim Il-song, as the centre of unity and leadership that they could defeat the Japanese imperialists and achieve national liberation by waging an organized armed struggle and could victoriously advance the most difficult and complex Korean revolution up to the present.

By founding the immortal chuche idea, the great leader implanted the genuine spirit of an independent people in the minds of our people, guaranteed them eternal social-political integrity and rallied all the people in a big revolutionary community, thus bringing them to be an ever-victorious, heroic people. That is why our people not only hold Comrade Kim Il-song in high esteem as the great revolutionary leader but also boundlessly revere and respect him as the saviour of their lives and as their father and are infinitely faithful and filial to him. The praiseworthy course and great victory of our revolution can hardly be thinkable were it not for the wise guidance of the great leader and the absolute fidelity of the people to him. The historical experience of the international communist movement shows that the revolutionary cause of the popular masses can advance triumphantly in any difficult and complex condition when it is guided by an outstanding leader, and otherwise, it will involve many a setback. It also proves that the revolutionary gains the people had paid for with their blood for a long period of time are robbed by the enemy and the revolution is spoilt when a chance element or a renegade of revolution takes the leading position of the party.

The party is the pivotal organization of the social-political organism. Only under its guidance the popular masses can be united organizationally and ideologically with the leader, the centre of the organism, acquire the social-political integrity and become the independent driving force of the revolution. Therefore, it is important to educate all the people to regard the social-political organization centred on the leader as the parental organism of their political integrity and make efforts for the triumph of the revolutionary cause in an organized way as a member of the organization.

The masters of the revolution are by all means the popular masses. The leader is the very top brain of the people and the party is the core detachment of the masses. It is only when one is equipped with the revolutionary outlook on the masses regarding the masses as the masters of the revolution, one can become a true servant of the people who devotes one's all to the struggle for their interests and can become the dependable undertaker of the revolution and construction who solves any difficult problems by one's own efforts, relying on the masses. If officials fail to equip themselves with the revolutionary outlook on the masses, there will appear the practices of looking down upon the masses and of brandishing authority and behaving bureaucratically and they will slide into the idea of depending on outside forces without thinking of enlisting the creativity of the masses and into defeatism succumbing to difficulties.

In order to remain faithful to the revolution as a member of the social-political organism, the people should possess the correct outlooks on the leader, the organisation and the masses. These revolutionary outlooks are the main characteristic feature of the communist revolutionary of a chuche type. Therefore, the main emphasis in the ideological revolution should be put on educating everyone to remain boundlessly faithful to the party and the leader and to serve the masses devotedly.

When the masses of people are educated in revolutionary ideas and the driving force of the revolution is firmly prepared through an intensive ideological revolution, socialist construction will be successfully pushed forward and the cause of socialism solidly be defended even in any adversity. In our country the ideological revolution has been successfully carried out under the correct leadership of the party. As a result, all the people firmly follow the chuche idea and, closely rallied around the party and the leader, they are faithfully discharging their responsibility and role as befitting the masters of revolution and construction. Our people, taking a high pride in carrying out the revolution, are devoting all their energies and wisdom to a fruitful struggle for socialist construction. A communist tone of work and life is prevalent among them. They work and live in a revolutionary way, helping and leading each other forward on the principle of collectivism under the catchword of "one for all and all for one". Today, more and more people are joining the ranks of unassuming heroes and meritorious people who are devoting their life to their society and collective and the party and revolution with utter disregard for any praise; and the movement to follow their example is widespread throughout the society. This is a striking testimonial to the high level of the ideological and spiritual qualities of our people. The leader, the party and the masses being integrated into a social-political entity where they share their fate and the whole society forming a single great revolutionary community—this is true feature of our society of which we can boast. All the people are rallied rock-firm behind the party and the leader and fighting and living, full of confidence and optimism. Herein lies the source of the solidity and invincibility of our socialism and a firm guarantee which can bring the revolutionary cause of chuche to completion even in the face of all storms and tempests and all ordeals.

The cultural revolution is aimed at liberating the people from the fetters of outmoded culture and developing culture which serves the people on socialist lines, so that all the people can lead a socialist modern life. In a society of exploitation the masses of people are not provided with adequate conditions and possibilities for a rapid progress in culture. This makes their cultural level remain low as a whole. The reactionary bourgeois culture which the privileged minority uses for exploiting and subordinating the working masses and for their own decadent comfort-seeking purposes has very harmful effects like drugs. It decays the mentality of the people and prevents them from enjoying a healthy modern life. To eliminate the remnants of the outmoded culture which had continued unbroken for long years in the life and customs of the people and to develop a fresh culture on socialist lines are a fight over fundamental principles being waged between socialism and capitalism. Only when the revmlution continues to be carried out in the field of culture after the establishment of the socialist system, can we liberate the people from the cultural backwardness and from the fetters of inhuman outmoded culture and make them possess high creative ability and profit by the genuine socialist modern life. To develop the socialist culture constitutes an important condition to successfully prevent the ideological and cultural poisoning by the imperialists. In invading and dominating other countries, the imperialists resort to the strategy of spreading their reactionary bourgeois culture in order to destroy their national culture and paralyze the consciousness of national autonomy and the revolutionary spirit. When the socialist culture is brought into full bloom and when the people profit by the socialist modern life to their heart's content, so that the socialist culture overpowers the capitalist culture, people will be able to free themselves from false idealization for the corrupt bourgeois culture and then the imperialists' ideological and cultural poisoning will not work.

An important strategical objective in carrying out the cultural revolution is to make the whole of society intellectually- proficient. Viewed from the point of human transformation, the process of building socialism and communism coincides with the process of making the whole members of society revolutionary and working class, and at the same time, of making them intellectual. While the work to make them revolutionaries and working class is to eliminate the gap between the ideological levels of people, the work to make the whole of society intellectual is to make all the members of society the men of a communist type possessed of ample knowledge and a high level of cultural attainment in order to eliminate the gap in cultural standards. After the socialist system is established and class antagonism is abolished, efforts must be directed to imbuing all the people with revolutionary and working-class qualities, and, at the same time, making them intellectual. After the establishment of the socialist system, intellectuals become masters of the state and society, like the working class, and as the socialist working people they form the same social class basis with the working class. However, the intellectuals and the working class have different characteristics in view of the different working conditions.

By nature the workers are proletarians and have grown into the leading class of the revolution through their struggle against exploitation and oppression. Therefore, they have a strong revolutionary spirit and organization.

However, their cultural and technical level is lower than that of the intellectuals. The intellectuals are higher than the workers in the cultural and technical level, but they are weak in the revolutionary spirit and in the sense of organization. Such a difference between the workers and the intellectuals disappears finally only when all members of society are made revolutionaries, become fully integrated into the working class and are made intellectually-proficient with the result of progress in socialist construction. The transformation of man on communist lines boils down to training him to be a comprehensively-developed person with an independent ideology and a high creative ability, and to making every member of society an intellectual who has been assimilated to the working class and a worker who has been made intellectually-proficient.

The important problem which should be solved primarily in the cultural revolution is to develop educational work. Educational work is one of the basic problems which decide the success or failure in the building of socialism and communism and the destiny of the nation. Accordingly, our party has always attached great importance to education and has directed a great deal of energy to it. After the country's liberation, we started building a new country from the work of investing the people with the right of education, abolishing illiteracy and building schools for the rising generation. We did not break off but continued educational work even amidst the gunfire of the grim fatherland liberation war decisive of life and death. Even under the difficult conditions in which we had to heal the war wounds and push forward the socialist revolution and socialist construction, we introduced universal free compulsory education step by step, combined school education with social education and developed the study-while-you-work system so that all the rising generation and the working people could receive education by the benefit of the state. Thanks to the efforts we made, surmounting all difficulties, for the future of the country and the nation, we succeeded in raising the cultural standard of the working people to that of the senior middle school graduate. On this basis, we have set ourselves the high goal of making every member of society intellectual and are making efforts to attain this goal.

Our party is consistently maintaining a revolutionary principle in education. Socialist education is not a businesslike work for imparting mere knowledge and technology to the people. Its mission and duty are to train the people to be revolutionary personnel who will strive devotedly for the party and the revolution and for the country and the people, thereby making a contribution to the realization of the cause of communism. Our party has set it as an important principle of socialist education to establish chuche principle and embody the party spirit, the working-class spirit and the serve-the-people spirit in education and to combine education with revolutionary practice, and has thoroughly put it into effect. Thanks to the correct educational policy of our party, the rising generation are being trained to be communist men of a chuche type who are equipped with a sound ideology, useful knowledge and practical ability. It is by no means fortuitous that the people of the world speak highly of our country as "a land of education" where all the members of the society are at their books throughout their lifetime from their childhood to their advanced ages and they are trained into communistic men of a new type, possessed of both noble ideological consciousness and creative ability through education.

In order to fully ensure that the people enjoy a socialist modern life, a new revolutionary and popular culture appropriate to the independent aspirations and sentiments of the popular masses should be created. Only when such a socialist culture is created and developed, can all sorts of uncivilized and backward practices in life be eliminated and the socialist way of life be established in an all-round way and the people be possessed of sound and noble mentality and morality and fight and live with confidence and optimism.

With the implementation of our party's correct policy of developing a socialist culture in our country, the chuche-oriented culture and arts which reflect the aspirations for independence and revolutionary requirements of the popular masses are enjoying their greatest success, finding special favourites among the working people and all the cultural wealth of society is entirely conducive to the improvement of the people's cultural standard and meeting their varied requirements for culture and sentiments. In our country literature and arts, public health and physical education and sport and other cultural fields are encouraged and made an everyday activity of the people; everyone takes part in the development of culture and profits by it, giving free scope to their wisdom and talents for the development of socialist culture and enjoys the rich and varied culture of sentiments to the full. In our country there are no such practices as immorality, depravity and social evils, as in capitalist society, which degrade and deform the people mentally and physically. Now the noble socialist morality of respecting and helping each other and sharing the joy and sorrow is prevalent among our people and a sound socialist way of life rules supreme throughout the society. Indeed, every family, every workplace, everywhere in our country is now full of revolutionary optimism and our chuche-oriented culture and arts serve as a powerful means of raising the national pride of the people, making their ideological and mental life sound and inspiring them to the revolutionary struggle and creative productive labour.

Firmly laying the material and technologinal foundation of socialism by harnessing nature, along with the work to reform man, is an important task which comes to the fore after the establishment of the socialist system. If productivity is not developed rapidly to lay the material and technological foundation commensurate with the socialist system after its establishment, socialism, like a building with an unsolid foundation, can neither maintain its existence long, nor provide the people with an independent and creative material life and productive labour.

The technical revolution is the fundamental way to remake nature and lay material-technical foundations which suit the requirement of socialist-communist society. The ideological and cultural revolutions are undertakings to prepare the driving force of communist society by remoulding man; the technical revolution is an undertaking to create the material conditions of communist society by transforming nature. In capitalist society technical reconstruction serves as a means to gratify the unlimited lust of a small number of capitalists for wealth. But in socialist society the technical revolution is an important revolutionary task to provide the working people with the conditions for equal and rich working and material lives, thereby freeing even from the fetters of nature the working people liberated from exploitation and oppression and making the popular masses completely independent.

In socialist society the technical revolution must serve, through technical development, to free the working people from difficult and hard work and build and develop a socialist independent national economy which meets the requirements of one's people for independence. Only when one builds an independent economy which stands on its own feet on the basis of modern techniques can one firmly guarantee one's people independent and creative working and material lives and establish chuche in ideology and be independent in politics and self-reliant in national defence and consolidate national independence. Therefore, the technical revolution, from the firm chuche stand, must be carried out on the principle of realizing properly the chuche-orientation, modernization and scientization of the national economy and in keeping with the specific conditions of one's country and in reliance on the creative power of one's people.

It is very harmful to refuse to believe in one's strength and have an illusion about the advanced techniques of capitalist countries in the technical revolution. It is radically wrong to think that capitalism is better than socialism in developing science and techniques. In all societies it is the masses of working people that advance science and techniques. There is no doubt that in developing science and techniques socialist society, where all the working people, as masters of the country, are vitally interested in scientific and technical development and where the state develops techniques in a coordinated way according to plans as required by the socialist economic laws, is superior to capitalist society where the interests of people conflict with each other on the basis of individualism. If one has a correct viewpoint of the technical revolution, mobilizes the economic potentialities of one's country to the maximum and brings into full play the revolutionary zeal and creative wisdom of the popular masses from the firm chuche stand one can develop the economy and techniques rapidly.

After the establishment of the socialist system one must dynamically promote the technical revolution and firmly equip all sectors of the national economy, including heavy and light industries and agriculture, with modern techniques so as to guarantee economic independence firmly. When one creates modern heavy industry and, relying on it, carries out the overall technical reconstruction of the national economy can one free the working people from difficult and hard work and develop the productive forces rapidly as required by socialist society. After the establishment of the socialist system our party set it as the immediate central task of socialist economic construction to carry out socialist industrialization by stepping up the technical revolution and vigorously organized and mobilized the working masses for its fulfilment, thus getting rid of the colonial lopsidedness and technical backwardness of the national economy and carrying out admirably the historic task of socialist industrialization in a historically short period of time.

After socialist industrialization the great leader put forward the three major tasks of the technical revolution as its important tasks—to eliminate distinctions between heavy and light labour and between agricultural and industrial labour and free women from the heavy burdens of household chores—and intelligently guided the efforts for their implementation. Our party's line of three major tasks of the technical revolution embodies most splendidly the principle of the socialist technical revolution, the principle of liberating the working people from difficult and exhausting work and of providing all of them with independent and equal working lives. Under the leadership of our party the technical revolution has been promoted successfully, with the result that not only have the material-technical foundations of socialism become stronger but also a great change has taken place in the working and material lives of our working people. In our country heat-affected and harmful labour has disappeared and difficult and backbreaking labour has been reduced considerably and the working people are provided with safe working conditions and adequate resting conditions. This is making the working people's creative working lives more and more joyful and fruitful. As technology advances and socialist economic construction progresses successfully, the people's material lives, too, are improving steadily. Today in our country, all the working people are provided with jobs according to their ability and aptitude, and they live happily with no worries about food, clothing and housing, though we cannot say as yet they live in opulence. In our country, there is no one who is notably rich or poor and our people do not even know the words unemployment or beggar. Since we have built a powerful independent national economy equipped with up-to-date technology, we can do anything by our own efforts, once we are determined to, and we are developing our national economy on a stable basis, little affected by any world-wide economic upheavals. Unlike in capitalist society where the gulf between rich and poor is very great and the people live in unrest, unable to foresee their future, in our country all the working people have jobs and live a carefree life without any distinction thanks to powerful independent economic foundations. This reality eloquently proves that our party's strict observance of the socialist principle in economic construction and in the technical revolution is right.

Strengthening the people's government and enhancing its function and role is a decisive guarantee for the correct management and operation of socialist society and for the successful promotion of socialist-communist construction.

The people's government is a leading power which represents the sovereignty of the popular masses, masters of socialist society, and which manages all sectors of social life in a coordinated manner. It guarantees the popular masses independence and their coordinated creative activities and propels forward socialist construction. Therefore, it is necessary to further strengthen the people's government and steadily raise its function and role as socialist construction deepens and advances. It is only when it performs its function and role properly that the people's government can carry out human remoulding and nature-remaking successfully by vigorously promoting the three revolutions, ideological, technical and cultural, and can reestablish, develop and perfect social relations along the socialist lines in all fields of politics, the economy and culture. This is precisely the reason why our party defined the three revolutions as well as the strengthening of the people's government and the enhancement of its function and role as the major contents of the general line of socialist constraction.

How to manage and operate socialist society is an important matter which newly arises after the establishment of the socialist system. As socialist society is a society where the popular masses are the masters of state and society, it must be managed in a new socialist way that makes them its managers. Even if the popular masses have become masters of state power and means of production, they cannot hold their position as masters and play their role as such properly nor can they give full play to the superiority of the socialist system and push forward socialist construction successfully, when they fail to manage society as its managers in conformity with its socialist nature.

Scrapping the bureaucratic ruling method, a leftover of old society, and establishing the socialist method of management suited to the nature of socialist society is a task which is as difficult and complex as the establishment of a socialust power. Since it defined state power as a weapon of dictatorship for class domination, the preceding theory found the essential difference between the government of exploiting classes and the socialist government mainly in the difference of their class character, and it considered that a socialist state would wither away when class domination would be unnecessary once a classless society is built. This view is incompatible with the practice of socialist-communist construction. The old state as a tool of class domination is destroyed by the socialist revolution; and the newly established socialist government is a new state political organization whose mission it is to manage in a unified way the independent and creative activities of the popular masses, who have become masters of society, and all fields of society. The unified leading function of the socialist state should be further intensified as the building of socialism and communism deepens; this function will be needed in communist society as well. Therefore, the socialist power will never wither away; and the problem of power will remain the most important matter not only in the stage of socialist revolution but in the whole historical period of socialist-communist construction.

To meet the requirements of the new circumstances changed after the establishment of the socialist system in our country, the great leader Comrade Kim Il-song set it as an important task to improve the work system and method of the people's government and created the Chongsanri spirit and method and, as its embodiment, the Taean work system. In this way, he admirably carried out the historic task of establishing a system and method of social management which meets the essential requirements of socialist society.

The Taean work system embodies the fundamental principles of socialist state activity as a work system which combines the monolithic leadership with the revolutionary mass line of the party and enables the popular masses to fulfil their responsibility and role as masters of state and society. The Taean work system is of universal importance not only as a system of guidance and management of the socialist economy but also as a political mode for the management of a socialist society as a whole. The establishment of the Taean work system and its application in every domain of society has been a tremendous revolution in the social transformation, which is no less important than the establishment of a socialist government and the putting of the production means under socialist ownership.

The most important thing in establishing the system and method of socialist management is to ensure the state's unified guidance of society under the leadership of the party.

The party is a hard-core detachment of the popular masses, masters of a socialist society; it is a political organization leading the building of socialism and communism. The party sets out lines and policies reflecting the desires of the popular masses, indicates the orientation of activity for the government and gives political guidance to the government bodies so that they can work to meet the people's interests and demands. Without party guidance the socialist government cannot fulfil its mission and function as the people's power. The socialist government implements party line and policies, and party guidance over society can be maintained and realized fully only through state power, a most comprehensive political organization.

Party guidance over the people's government must be political and the latter's activity must be geared to the implementation of the former's line and policies. As the leader has remarked, the relationship between the party and the government can be compared to that of a man steering a boat and a man pulling the oars in it. As a boat can only run straight and fast when one steers it properly and pulls the oars well, so a society can be developed without deviation in accordance with the people's interests and desires, only when the party gives proper political guidance and the government plays its role with credit under the party's leadership.

In a socialist state, the party of the working class in power and party organizations may make mistakes of superseding the administration and weakening the creativity of government bodies. Therefore, we must guard against the party superseding the administration in directing government bodies. We must also reject strongly the tendency of denying party guidance and of weakening io under the excuses of opposing the party superseding the administration and of enhancing the state power's "autonomy" and "independence." Unless the party's guidance over the people's government is ensured, a socialist government will be converted into a bourgeois government; and if the party forfeits its guidance of the government it will cease to be a vanguard responsible for the destiny of the people.

Ensuring a unified guidance over society under the party's guidance is the basic function of a socialist state. Unlike a capitalist society where every realm of social life is based on individualism, a socialist society is a collective society where all the people work together with common goal and common interests. Without the state's unified guidance, it is impossible to achieve people's unity and cooperation properly based on the common interests of society nor is it possible to direct the people's struggle purposefully in the building of socialism and communism. Therefore, the people's government must ensure unified guidance and control in the political, economic, cultural and all other domains of social life.

The planned management of the national economy under the state's unified guidance is the demand of law of the development of the socialist economy. In a socialist society where the production means are in the hands of the people, the state which is the representative of the people, must ensure unified management and control of the economy. In a socialist society, it is only under the state's unified direction that we can make the maximum utilization of the nation's economic potentials and develop the economy quickly in accordance with the people's desire for independence and interests. It is entirely wrong to pit the state's unified direction of the economy against the possibility of bringing into play the creativity in enterprises, or to deny the state's unified direction on grounds that the planned management and control of the economy has become impossible as the economy has grown considerably on scale. Success depends on what principles and what methods are applied in ensuring the state's unified guidance of the economy. In the past some countries committed mistakes in giving unified guidance for the management of the socialist economy, because they gave guidance by the administrative order, ignoring the objective law of the economic development and the specific conditions, or they neglected bringing into play the creativity in individual domains and units, while putting emphasis on the unified direction alone. Therefore, we must not oppose the state's unified direction of the economy itself; we must improve the method of state guidance to meet the socialist requirements. If we deny the state guidance and control, giving priority to the autonomy of individual enterprises and to the immediate economic interests, the system of the socialist economy will be deteriorated and the capitalist market economy will be restored. Some people say that if the economic scale grows, the indexes of plan will be multiplied extremely and it will be impossible to introduce the planned economy. This is like an absurd plea that if the economy develops, men will be reduced to the economic appendages. The state can run the socialist economy in a planned way and put its advantage into full play if it improves the abilities of the economic executives and the working people and puts the economic management on a scientific basis in line with the economic development.

In order to establish a proper system and a proper method of socialist management, we must implement the revolutionary mass line thoroughly in party and state activities.

In a socialist society the people are masters of the government and they are responsible for politics. The revolutionary mass line is the supreme principle of the party and state activities as it ensures that the popular masses take the position of masters of the state and society and perform the responsibilities and role as such. It depends on how we implement revolutionary mass line whether we can establish socialist democracy successfully, eliminate bureaucracy and bring the people's creativity into full play. The people's government must conduct all its activities along the revolutionary mass line. It must apply such work system and work method as relying on the people and working for them. The officials of the people's government must always work to meet the people's desires and interests. They must mix well with the people, and share the good times and the bad with them and rouse them to implement party policies.

Bureaucracy, which was a ruling method in old societies, can not be permitted in the activity of the people's government which serves the people. If bureaucracy were allowed in the work of the people's government organs and the people were forced to do things against their will and desires, it would curb their independence and creativity, divorce the party and the government from them, and prevent the advantages of the socialist system from being demonstrated fully.

Bureaucratism exists in a socialist society because officials retain the remnants of the outdated ideas and the residues of the old ruling system and method have not been eliminated in social management. In order to overcome bureaucracy, it is necessary to eradicate the survivals of the outmoded ideas and outdated method of management and to meet the requirements of the Chongsanri spirit and the Chongsanri method and the Taean work system which are the embodiment of the mass line.

In socialist society, a transitional society where the class struggle continues, the state must also exercise dictatorship against the anti-socialist elements.

The building of socialism and communism is accompanied by an acute struggle against the hostile elements and the imperialists. Since the imperialists continue their anti-socialist moves and the rebellious elements linked with them remain within, the socialist government must always destroy the counterrevolutionary, anti-socialist elements with the revolutionary weapon. It must thwart thoroughby the imperialists and the internal reactionaries' moves to hamper the revolution and construction and to undermine the socialist system. If we weaken the dictatorial function of the government in a socialist society, which is transitional, we can not provide the people with democratic freedom and rights, defend our revolutionary achievements and we can leave the socialist system itself endangered.

Only when we strengthen the people's government and enhance its function and role can we support the socialist cause and accomplish it.

Our party's general line of carrying out the ideological, technical and cultural revolutions, while consolidating the people's government and improving its function and role steadily, is being implemented successfully in our socialist construction, and the judiciousness and vitality of that line has been demonstrated fully in life.

Our people have consistently followed and implemented the party's general line in socialist construction and have achieved major victories in all domains of the revolution and construction despite the most difficult and adverse conditions and we have established on this land excellent socialism of our own style which is centred on the masses of the people. All the people are united around the party and the leader with one mind and purpose to make up the powerful driving force of the revolution. Socialism is advancing forward, based on independence, self-sufficiency and self-reliance in defence. The independent and creative socialist life of the people is flowering abundantly. This demonstrates the great advantage of socialism in our country. Through their own life our people have acquired the conviction that socialism alone can eliminate every manner of domination and subjugation and social inequalities and provide the people with genuine freedom and equality and a happy and worthwhile life and that socialism is the only way of realizing the people's ideal for independence.

Our people have a firm belief in the justness and prospects of the cause of socialism which they have chosen themselves and which they have hewed out with their own effort. They are filled with a revolutionary determination to follow the path of socialism to the end under the party's leadership. Our people will never vacillate or yield even a step back in the future whatever the situation and whatever the adversities. We will implement our party's general line which embodies the chuche idea, and bring the cause of socialism and communism to shining completion.

Diplomatic Relations Established With Belarus

SK0402230492 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 4 Feb 92

["Joint Communique on Establishing Diplomatic Relations Between the DPRK and the Republic of Belarus"]

[Text] To develop friendly and cooperative relations between the two countries in all domains based on the principles of independence, equality, reciprocity, and noninterference in internal affairs, the DPRK Government and the Republic of Belarus Government have agreed to establish ambassador-level diplomatic relations and exchange diplomatic missions.

[Signed] Vice Foreign Minister Yi In-kyu, as authorized by the DPRK Government;

[Signed] Deputy Foreign Minister Senko, as authorized by the Republic of Belarus Government

[Date] 3 February 1992, Minsk

Book, Photo Exhibition Held in Los Angeles

SK0502051492 Pyongyang KCNA in English 0422 GMT 5 Feb 92

[Text] Pyongyang February 5 (KCNA)—A book and photo exhibition of the Democratic People's Republic of Korea was held in Los Angeles from January 27 to 31.

On display at the exhibition were Korean books, photographs showing achievements made by the Korean people in the revolution and construction, Korean paintings, oils, embroideries and ceramic works.

At the opening ceremony, the speakers said that the DPRK book and photo exhibition, the first of its kind in the United States, would show the true appearance of the DPRK to the U.S. people and Koreans in the United States and contribute to promoting the DPRK- U.S. relations and Korean reunification.

Delegation To Attend FAO Session in India

SK0502051192 Pyongyang KCNA in English 0424 GMT 5 Feb 92

[Text] Pyongyang February 5 (KCNA)—A Korean delegation headed by Yi Ha-sop, vice-chairman of the State Commission of Agriculture, left here Tuesday by air to participate in the 21st Asia-Pacific regional session of the Food and Agriculture Organization [FAO] of the United Nations which will be held in India.

Daily on 'Massive Defection' From South's DLP

SK0502053092 Pyongyang KCNA in English 0437 GMT 5 Feb 92

[Text] Pyongyang February 9 (KCNA)—When the No Tae-u ruling group made public the list of the candidates of the "Democratic Liberal Party" [DLP] registered at 237 constituencies for the 14th "National Assembly election", many former and incumbent "National Assemblymen" and party members left the "DLP", complaining that they were excluded in the nomination.

Commenting on the massive defection from the "DLP", a NODONG SINMUN analyst today views this as another sign of the decline of the South Korean ruling "DLP".

The analyst says:

As for the "DLP", it is made up of those crazy for power and it is a clan of political schemers and mountebanks who employ any vicious method and base means for power. This is why the scramble for power has continued from the very day of its formation and some people threatened that they would "break up the party".

Seeking to increase his influence in future through the nomination of candidates for the "general elections" No Tae-u designated many of his relatives, top servants of "Chongwaedae" and his confidants in the "DLP", fascist military gangsters of worst type and corrupt swindlers. And he put on the list many persons from the "Democratic Justice Party" faction of the "DLP" so that the faction may grab "presidency".

This being the situation, it is only too natural that the scramble has become fiercer over the nomination of candidates for the "general elections" and the number of defectors from the "party" has increased.

With the "general elections" approaching, South Korean students and people have turned out in such anti-"DLP" struggle as the movement for the defeat of "DLP" candidates.

No's "DLP" is doomed to ruin be destroyed, festering within and trounced without.

KCNA Reviews Pyongyang Press for 5 Feb

SK0502053992 Pyongyang KCNA in English 0443 GMT 5 Feb 92

[Press review]

[Text] Pyongyang February 5 (KCNA)—All papers here today including MINJU CHOSON devote their first three pages to the full text of "Historical Lesson in Building Socialism and the General Line of Our Party," talk of the dear leader comrade Kim Chong-il with senior officials of the Central Committee of the Workers' Party of Korea, on January 3, 1992.

NODONG SINMUN carries the talk on February 4.

The paper prints an editorial headlined "The Great Revolutionary Banner Leading the Cause of Socialism Along an Ever-Victorious Road" on the publication of the talk.

Congratulatory messages and letters came to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il with the approach of their 80th and 50th birthdays from foreign countries and functions were held to celebrate the February holiday in different countries, says the press.

Papers report that Comrade Kim Chong-il received a gift from the Central Committee of the Belgian Labour Party on his 50th birthday.

An article of NODONG SINMUN tells that many slogans on "Bright Star over Mt. Paektu" announcing the birth of Comrade Kim Chong-il have been discovered in broad areas of the country recently to exalt the national pride and revolutionary honor of the Korean people.

Conveyed in papers are words of foreigners highly praising Comrade Kim Chong-il.

Papers publish a message of greetings sent by the Central Committee of the Workers' Party of Korea to the National Executive Committee of the Revolutionary Party of Tanzania on the latter's 15th founding anniversary.

Papers inform the readers that an inaugural meeting of the committee for the study of the chuche idea was held in Rwanda and the second youth international conference supporting the independent and peaceful reunification of Korea was held in Madrid.

Carried in papers is a joint communique on the establishment of diplomatic relations between the Democratic People's Republic of Korea and the Republic of Belarus.

The Nicaraguan president, the chairman of the Central Committee of the United National Independence Party of Zambia, the federal president of Austria and the general secretary of the People's Unity Party of Tunisia met the Korean ambassadors to their countries, the chairman of the Workers' Party of Switzerland, the co-chairman of the German Communist Party and the chairman of the Danish Workers' Party, Common Cause met with a delegation of the Workers' Party of Korea, according to papers.

Papers give an account of a DPRK book and photo exhibition in the United States.

Carried in NODONG SINMUN are words of South Korean people and Koreans overseas vowing to advance under the banner of great national unity for reunification.

A commentary of the paper says that "National Assemblymen" left en masse the "Democratic Liberal Party" of the No Tae-u ruling group with the approach of the 14th "National Assembly election" in South Korea. It carries slogans of the Central Committee of the South Korean National Democratic Front calling for a turn-out in a struggle surrounding the "election" under the slogan of anti-"DLP" struggle.

The Amnesty International demanded the abolition of the "National Security Law" of South Korea and the speaker of the National Assembly of Zambia supported the Korean people's cause of national reunification, says the press.

An article of NODONG SINMUN deals with the serious crisis of the South Korean economy resulting from its economic policy of dependence on the outside force and anti-popular moves.

Foreign news columns of the paper includes the report that the Chinese party and state cadres congratulated people on the Lunar New Year and reports from countries of the commonwealth of the independent states. The paper conveys the appeal of the Nigerian president for strengthening economic cooperation among African countries and reports that the Kenyan president condemned interference in his country's internal affairs.

An article of NODONG SINMUN deals with trade friction between the United States and Japan which is growing acute.

South Korea

Official Says 'Obstacles' to Summit Talks Removed

SK0502064392 Seoul KBS-1 Radio Network in Korean 0300 GMT 5 Feb 92

[Text] Taking advantage of such things as contacts between the delegates of the two sides to the South-North high-level talks scheduled for 7 February at Panmunjom, the South and North are expected to get down in earnest to a working discussion of issues related to a summit meeting.

As a result, the date and venue for a South-North summit meeting to be realized for the first time in the half century since the country was divided are likely to be finalized around 20 February when Prime Minister Chong Won-sik, senior member of our side's delegation to the South-North high-level talks, is expected to have a meeting with President Kim Il-song of North Korea.

A high-ranking government official said today that virtually all the elements of obstacles to holding a South-North summit meeting have been removed in the wake of North Korea's signing the nuclear safeguards accord, and that a working discussion aimed at finalizing the date and venue for the South-North summit meeting will begin soon between the South and North.

Calling to mind the words of spokesman Yi Tong-pok, who said that our side's proposal for conducting mutual nuclear inspections in the South and North by the end of this month is not a precondition for a summit meeting, this official said that there is a great possibility that the date for the summit meeting will be set for early next month, as agreed on in principle between the South and North.

It is highly likely that the South-North summit meeting will be held in the form of a tete-a-tete, to be attended by only a few aides from the two sides, and that in the summit meeting the two sides are likely to discuss mainly such things as practical ways to put into practice the cause of denuclearizing the Korean peninsula, including the mutual nuclear inspections in the South and North, ways to effect the South-North agreement in sectors, issues of reducing arms on the Korean peninsula, and ways to achieve reunification.

Seoul To Unveil Summit Position at Next Talks

SK0502032592 Seoul YONHAP in English 0302 GMT 5 Feb 92

[Text] Seoul, Feb. 5 (YONHAP)—The South Korean Government has decided to unveil its official position on an inter-Korean summit in Prime Minister Chong Won-sik's keynote speech at the sixth high-level talks slated to open in Pyongyang on Feb. 18, official sources said Wednesday.

The government will seek to hold a series of behind-the-curtain contacts with North Korean leaders during the talks to discuss the date, venue and agenda for the proposed summit between the top leaders of the two Koreas, they said.

During the fifth round of talks in December, the Northern side reacted coolly to the Southern proposal to include the issues of the summit in the formal agenda, citing the urgency of settling nuclear problem and other pressing issues. But the South and North agreed that the summit issue be discussed in the sixth round, according to the sources.

A source stressed the need for making the summit a formal agenda item of the prime ministers' talks in view of the "tangible" progress made in the South-North Korean relations highlighted by an inter-Korean accord on reconciliation and the joint declaration for a non-nuclear Korean peninsula.

"The two sides are desired to have a dialogue between responsible top leaders as a channel for presenting efficient ways of settling major pending issues such as nuclear problems," he said. It is particularly so, because of the practical difficulty of implementing the inter-Korean agreement on reconciliation, nonaggression, exchanges and cooperation and the joint declaration of a non-nuclear Korean peninsula, he said.

The South Korean Government would also seek a separate channel for contact with the North to exclusively deal with the summit plan should Pyongyang agree to the idea of having the summit at least in principle, sources said.

In the summit, if realized, the Southern side is considering proposing discussions on the adoption of a peace charter for a national community, designed to institutionalize a Korean commonwealth as an interim process for unification, replacement of the Armistice Agreement with a peace regime and disarmament.

Also to be raised by the South in the summit are the issues of expanding the existing high-level talks to a combined cabinet meeting and formation of an inter-Korean council to be consisted of an equal number of parliamentarians from either side, sources said.

North Tries To Block Team Visit to Cambodia

SK0502062392 Seoul YONHAP in English 0554 GMT 5 Feb 92

[Text] Phnom Penh, Feb. 5 (YONHAP)—North Korea's diplomatic efforts almost blocked the first visit by a South Korean sports team to Cambodia since 1975 for friendship soccer matches last week, it was learned here Tuesday.

"We had been under persistent pressure from North Korea until the team arrived here Jan. 31," a Cambodian Foreign Ministry official said. "But we made it clear that it was impossible to reject the entry, now that our nation has turned from socialism to adopt an open-door policy."

North Korean Foreign Minister Kim Yong-nam, who visited Phnom Penh shortly before the South Koreans' arrival, told Cambodian officials that it was undesirable for the government of Hun Sen to be in a hurry to improve relations with Seoul, the official said. Kim made no mention of the soccer squad in particular, though, he added.

Prince Norodom Sihanouk, chairman of the Cambodian Supreme National Council [SNC], had asked the Hun Sen government to reconsider inviting the South Korean soccer team to Cambodia. Sihanouk had spent most of his time in exile in Pyongyang as a guest of the state.

A diplomatic source here said Sihanouk pledged to Kim that he would spare no support for Northern Korean inroads into Cambodia and help set up an SNC representative office in Pyongyang.

Kim visited Cambodia and two other Indochinese countries to explain North Korea's position on their efforts to improve relations with South Korea.

The South Korean team of selected players from amateur teams belonging to business firms defeated the Cambodian national team 4-3 in its second round of friendly matches Tuesday, following Sunday's 5-3 victory over the Trade and Industry Ministry's team. Tuesday's game drew some 30,000 spectators.

South To Propose Cultural Committee With North

SK0502011192 Seoul KBS-1 Radio Network in Korean 2200 GMT 4 Feb 92

[Text] The government plans to propose the formation of a joint North-South cultural committee, which will deal with the press and broadcasting domains, as an organization of North-South joint committees in various sectors. These committees will be formed by mid May in accordance with the North-South agreement.

The government considers the exchanges, including the mutual visits of separated families and economic exchange and cooperation between the North and the South to be very important in the event that North-South exchange and cooperative relations are stepped up. The exchange of information and culture between the North and the South, including the press and broadcasts, will also be very important, however.

Thus, the government decided to actively discuss the issue of forming the North-South joint cultural committee with the North Korean side.

Through this joint cultural committee, the government is going to actively push for mutual visits between journalists in the North and the South, for permission for limited news coverage, and for exchange and joint production of broadcasting programs in non-political fields including traditional culture.

The government is also planning to make the North-South joint cultural committee handle the exchange of materials in non-political fields, including science, technology, education, culture, arts and the environment; mutually hold exhibitions of cultural properties preserved respectively in the North and the South, and jointly conduct research, as well as compilation work, on language and ancient history.

UN Group Studies North's Industrial Development

SK0502010292 Seoul KBS-1 Radio Network in Korean 2200 GMT 4 Feb 92

[Text] The government authorities announced on 5 February that the working-level officials of the United Nations Industrial Development Organization [UNIDO] visited North Korea on 1 February, and are presently conducting a concrete examination work for protocol on industrial cooperation between North Korea and foreign enterprises, including the development plan on Tumen River.

This examination work, being conducted prior to UNIDO's Far East conference slated for late this month in Seoul, will continue until 10 February. The relevant government official said that the UNIDO's working-level officials will visit Seoul upon completion of their visit to North Korea to explain the result of discussions with North Korea to our side.

* North's Currency, Exchange, Banking Systems

922C0028 Seoul TONG-A ILBO in Korean 15 Oct 91 p 7

["South Korea's Foreign Exchange Bank Published a Book on 'North Korea's Foreign Exchange Control Policy'"]

[Text] In the North Korean official exchange rate, one North Korean won is convertible into 330 to 343 South Korean won. North Korean currency includes coins and paper monies, five categories of each.

Although interests accrue in savings accounts and loans, the interest rates are fixed solely by the government in North Korea.

The above facts are reported in the book titled, *North Korea's Joint Ventures, Foreign Exchange Control Policy*, published by South Korea's Foreign Exchange Bank on 14 October 1991.

North Korea's Currency and Finance System:

Currency

North Korea's coins consist of five categories including one jon, five jon, 10 jon, 50 jon and one won; the paper monies, one of the five categories, include one won, five won, 10 won, 50 won and 100 won. For foreigners visiting North Korea, the government issues certificates of foreign exchange. The foreign exchange rate of $1 dollar is about 2.20 North Korean won. The interest rates in savings accounts and loans are fixed by the government alone and these interest rates are generally very low.

Banks

(Chosun) Korean Central Bank oversees foreign exchange matters; in addition, North Korea has the Bank of Trade, Kumkang Bank, and Taesong Bank. The last two banks are in charge of the country's external settlements for trading companies. All these banks are specialized banks owned by the government and each bank operates autonomously under the umbrella of the Central Bank.

The Democratic People's Republic of Korea Central Bank

It issues monies; regulates circulation of currency; takes care of cash flow; controls revenue and expenditures of the national budget; oversees the Bank of Trade, Kumkang Bank, and the Taesong Bank; determines exchange rates of North Korean won; deals in foreign exchanges; buys and sells gold; establishes monetary accounts for North Korean citizens and foreigners; obtains foreign credits; and gives out grants.

Bank of Trade

It handles financial matters regarding trades; provides grants and guarantees; takes care of credits relating to foreign currency earnings and payment by the trading firms' accounts. North Korea's Bank of Trade has "Foreign Exchange Correspondence Agreements" with banks in Japan, the United Kingdom, Germany, France, Switzerland and Austria. It also issues foreign exchange convertible notes.

Kumkang Bank

It was established in September 1978, and it handles the foreign account of import and export by the trading companies such as the Chosun Pongwha Trading Company.

Daesung Bank

It was established in November 1978, with a goal similar to that of the Kumkang Bank. It settles foreign accounts of North Korean trade; handles transactions of precious metals as well as matters relating to foreign exchange.

North Korea's Foreign Exchange Control System:

Foreign Exchange Management

North Korea's foreign exchange policy is strictly controlled by the Ministry of Finance; Korean Central Bank and Bank of Trade are exclusively responsible for the country's foreign exchange. Gold and silver traded are also stored in these banks.

Decision on Exchange Rates

North Korea's exchange rate is freely fixed by the government according to the country's planning for trade and foreign exchanges. North Korea uses a multiple exchange-rate system which includes official exchange rates, rates for trade, and noncommercial rates (exchange rates for travelers.)

Relative Value of North Korea's Won

According to North Korea's official exchange rates for trade, $100 dollars are convertible into 210 to 218 North Korean won and this corresponds to about 420 Chinese won. As of 28 June 1991, one North Korean won was convertible into 330 to 343 South Korean won ($1 dollar equals 720 South Korean won; 100 Japanese yen equals 474 South Korean won.) The real worth of North Korean won is lower than the official rate.

Trade Management Systems

The highest organization in charge of foreign trade in North Korea is the Ministry of Foreign Trade of the State Administration Council. Trade with countries which have no diplomatic ties with North Korea are handled by the Committee for Promotion of Foreign Trade.

The business of trade is handled by individual trading companies. North Korea has over 100 trading companies, classified into integrated trading companies, export companies, companies for general foreign trade, and companies for specific foreign trade.

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* Professor 'Proves' Kim Il-song's Christianity

922C0037A Seoul TONG-A ILBO in Korean 19 Oct 91 p 10

[Article by reporter Kim Sung-uk]

[Text] It is widely known that Kim Il-song's mother and her side of the family were Christians, but not many people know that his father, Kim Hyong-chik, and Kim Il-song himself were also Christians.

Professor Choe Yong-ho (University of Hawaii), who recently visited Korea, sets forth various materials in his article "Kim Il-song's Childhood and the Christian Tradition," proving that Kim Hyong-chik and Kim Il-song were Christians when they were young, which is becoming a topic for discussion.

To prove that Kim Hyong-chik was a Christian, Professor Choe first offers the fact that Kim attended the Sungsil School in Pyongyang. Established by American missionaries, the Sungsil School had as a prerequisite for admissions at around 1911—when Kim Hyong-chik entered the school—that pupils had to get recommendation letters from the pastor of their church and a missionary. Therefore, Professor Choe concludes that Kim Hyong-chik was definitely a Christian.

Professor Choe refutes North Korea's claims in the book *Korean Warrior* that during Kim Hyong-chik's days at the Sungsil School, "He led the students in a struggle and succeeded in reducing the hours for religion classes and increasing the hours for natural science classes." He said there is absolutely no such fact mentioned in the records of the school.

Professor Choe then points out that the Korean People's Association, to which Kim Hyong-chik devoted himself after he left the Sungsin School, was entirely made up of Christians. Professor Choe thus concludes that Kim Hyong-chik was an "activist Christian."

Consequently, it was natural that Kim Il-song, who was born from a mother who was a faithful Christian, and a father who was an activist Christian, would also be a Christian. Kim Il-song's mother, Kang Pan-sok was an ardent churchgoer who never once missed early morning prayer services. His maternal grandfather, Kang Ton-uk, was an elder in the church, and his maternal great grandfather, Kang Yang-uk, was a pastor.

Professor Choe suspects that Kim Il-song was particularly influenced by Christianity after he was separated from his parents in Manchuria in 1923 when he was 11 years old and was attending the Changdok School, which his maternal grandfather established.

Dr. Son Won-tae, who now resides in Nebraska, lived in Manchuria in the late 1920's, when Kim Il-song again moved to Manchuria. In Professor Choe's article he states that, "A young Korean man by the name of Kim Song-chu regularly attended the church of my father, Reverend Son Chong-to, around 1927 or 1928." As is well known, Kim Song-chu is Kim Il-song's real name.

In addition, Professor Choe introduces an interesting anecdote that took place when Reverend Kim Sung-nak, who now lives in the United States, paid a visit to North Korea.

When Reverend Kim, who was close to Kim Il-song's family in Pyongyang in the 1920's, visited Pyongyang in 1981, he was invited to lunch by Kim Il-song. At the lunch, Kim Il-song spontaneously asked him to say grace. As soon as the prayer was finished, Kim Il-song even said in a clear voice, "Amen."

Professor Choe concludes that, "In view of the fact that Christianity was a hotbed of the anti-Japanese movement during the period of Japanese imperialist rule, the Christian tradition of Kim Il-song's family probably had an impact on Kim's nationalism also."

Ministry Notes Pending PRC Economic Talks

SK0302004192 Seoul YONHAP in English 0008 GMT 3 Feb 92

[Text] Seoul, Feb. 3 (OANA-YONHAP)—South Korea and China will hold working-level negotiations on investment guarantees and avoidance of double taxation agreements Feb. 19-21 in Beijing, the Foreign Ministry said Monday.

A 12-member Korean delegation headed by Yun Hae-chung, deputy director-general of the Ministry's Asian Affairs Bureau, will meet with officials from China's Ministry of Foreign Economic Relations and Trade.

This will be the third working-level contact between the two countries, which are yet to form diplomatic ties.

Seoul and Beijing exchanged trade offices early last year and signed a trade agreement Dec. 31 abolishing the 5-percent to 30-percent discriminatory tariffs that China levied against Korean products.

Ministry officials said they hoped to agree on the investment guarantee and avoidance of double taxation by April.

Two-way trade increased from 3.8 billion U.S. dollars in 1990 to 5.8 billion dollars last year. Korea had a 1 billion-dollar deficit with China in 1991.

Korean investment in China totaled 210 million dollars at the end of last year, including approved projects.

Business Investment in PRC Increases

SK0502052892 Seoul YONHAP in English 0413 GMT 5 Feb 92

[Text] Seoul, Feb. 5 (YONHAP)—South Korean investments in China totaled 78.56 million U.S. dollars in 112 cases last year, up 39.5 percent and 195 percent, respectively, from 1990, the Finance Ministry said Wednesday. Of all the investments, 92 or 82.1 percent were 1 million dollars or less in amount and their aggregate amount accounted for 46.5 percent of the total, according to statistics compiled by the ministry.

Investment was made in 40 separate regions in China and most took the form of combining South Korea's capital and China's investment in kind such as land, according to the ministry.

Ministry officials observed that the South Korean investment in the communist country would grow sharply if the two countries establish official relations.

The officials noted that with a diplomatic breakthrough investments of 2 million dollars or less would not be subject to prior government approval. They would be allowed only with reports to the central bank.

The largest project approved last year was Samick Musical Instruments Manufacturing Co.'s plan to invest 17.7 million dollars for building a musical instrument factory in Heilongjiang Province.

The ministry officials, however, did not rule out the possibility that the investment boom might be daunted to a certain degree in the wake of thaws in Seoul-Hanoi and Seoul-Pyongyang relations.

Forms Distributed for Gulf War Compensation

SK0502031692 Seoul YONHAP in English 0256 GMT 5 Feb 92

[Text] Seoul, Feb. 5 (YONHAP)—The government has begun distributing forms of individual applications to South Korean victims of the Gulf war for monetary compensation, the Foreign Ministry said Wednesday.

The deadline is July 31 and the filed applications will be submitted to a related U.N. Committee afterwards, the ministry said.

The application forms for Korean residents in Kuwait and Iraq are available at the Foreign Ministry, those for workers at the Labor Ministry, and those for construction and trade company employees at the construction and trade-industry ministries, respectively.

Eligible applicants are those who have suffered physically or mentally by the Iraqi invasion of Kuwait and the Gulf war between Aug. 2 1990 and March 2 1991.

Types of compensation and amounts will be determined in accordance with the rules set in a U.N. Conference on Gulf war compensation held Jan. 20-24.

The maximum amount will be 15,000 dollars (individual) and 30,000 dollars (a household) for the death of spouses, children or parents: 15,000 dollars will be paid for permanent disablement and 5,000 dollars for temporary injury: And 5,000 dollars for the victims of rapes.

Some 2,500 dollars (individual) and 5,000 dollars (household) will be paid for mental anguish caused by killings, injuries and rapes: Basic 1,500 dollars plus 100 dollars a day will be paid for the victims of kidnapping and confinement for longer than three days: Basic 1,500 dollars plus 50 dollars a day for those who hid in fright for longer than three days: And 2,500 dollars (individual) and 5,000 dollars (household) for those who lost economic capability.

The United Nations regulated that the ceilings never exceed 30,000 dollars for an individual and 60,000 dollars for a household.

Business compensation is under discussion, but differences run deep among the United States, Britain and France over the compensations for damages incurred by allied economic sanctions against Iraq.

* Test Flights of Domestic Light Aircraft Begin

922C0044A Seoul TONG-A ILBO in Korean
14 Oct 91 p 13

[By reporter Kim Sang-chol: "Home-Produced Aircraft Being Put To Test Flights Next Month"]

[Text] The multi-purpose light airplane "Changgong 91" ["Blue Sky 91"], designed and manufactured solely by our technical staff, will be put to its first test flights in Kimhae next month. Kim Chang-ho, senior researcher of the Korea Aerospace Research Association, disclosed that the indigenous, experimental No. 2 light plane will be completed by the end of this month and immediately put to test flights at the runway of the Korea Aviation Development Headquarters in Kimhae. Its development, which is one of the Science and Technology Ministry-designated research themes, began in 1988.

Kim also said that the research association—made up of three companies, the Korean Air, Sam-Sun Industrial Co. and Han-Kuk Fiber Glass Co.—had completed the experimental No. 1 plane for ground testing on 16 August this year and, after ceremonies marking its delivery, sent it to the Maritime Technology Institute for a series of structural and performance tests, which are currently under way.

Association officials plan to tune up the No. 2 plane when completed on the basis of the results of these tests before putting it to its first test flight. After several more test flights, they will test it on a distance flight to Cheju Island.

In 1989, Kim made Changgong No. 3 by modifying the design of Changgong No. 2, which is a duplicate of a French ultra-light model (ULM), and even made successful test flights. If the test flights of the newly developed "Changgong 91" proves to be successful, he said, it will mark a new milestone in the nation's aviation industry.

Generally seen as an aggregate of technologies in various specialized branches, development of aircraft requires divisional setups with systematic links between them and techniques to bring them together and control mechanisms.

For Changgong 91, Sam-Sun Industrial Co. developed 17 kinds of rolled aluminum alloy for the fuselage and wings, while Han-Kuk Fiber Glass Co. manufactured 13 kinds of composite-material structures including the tail, engine cover, and front and rear doors.

Korean Air made more than 1,500 blueprints of conceptual and basic designs of the five-seat piston-engine aircraft. Meanwhile, Seoul National and Inha universities conducted fluid numerical analyses and wind tunnel tests to ascertain the credibility of the designs.

Changgong 91, listed in Jane's year book last year, is 7.7 meters long, 10.2 meters wide and weighs 780 kg. It has a maximum speed of 242 km/h and a range of 1,500 km, enough to fly from Seoul to Cheju Island and return nonstop in five hours.

Based on test results of the experimental Nos. 1 and 2 planes, the research association will build the experimental No. 3 plane by May next year and make the final round of test flights.

It will then obtain certificates on the type and airworthiness of the aircraft from the Ministry of Transportation, and enter into mass production.

In the association officials' view, if an ROK-U.S. bilateral airworthiness agreement (BAA) is signed, they will be able to find their way into the world light aircraft market, exporting 200 planes a year or more.

Changgong 91, which will carry a price tag of about 100 million won per plane when mass production gets under way, can be used for many purposes including forest and coastal reconnaissances, aerial news coverage, leisure and sports activities as well as pilot training.

Burma

BBC Accused of Instigating War With Bangladesh

Part One

BK0402121792 Rangoon Radio Burma in English 0715 GMT 4 Feb 92

["First part" of article by Aung Min in 2 February issue of the WORKING PEOPLE'S DAILY entitled: "All Moslem Faithful: Beware of Shaitan BBC"]

[Excerpts] This time Aung Min would like to present to the fraternal people of different races and religions who inhabit the Union of Myanmar [Burma] about the dastardly concoctions and attacks being launched by the BBC on Myanmar.

The BBC, with the most low-down intent, has launched attacks during the month of January 1992 consistently focused its attacks on Aung Min's Myanmar. And what could be the subject? The malicious ill-intentioned and untoward attacks have been directed at getting Myanmar and Bangladesh to war. This is tantamount to lowering BBC's position to a stinking cesspot.

It has gone so far as to blow Myanmar-Bangladesh relations out of proportion into a problem that could explode and to put Myanmar at loggerheads with the international Moslem community. BBC, seemingly supporting the Moslems, has been pushing both Myanmar and the Moslems into a dangerous position. In so doing, it is employing the wiliest way.

In the holy book, the Koran, in the first chapter Sura Baqr the devil Shaitan's vicious acts are shown as follows: Sura Baqr 2-169 says to the effect that Shaitan would push the faithful toward committing vice and perpetrate the dirtiest acts and also commit acts which they may be unaware of against Allah. Yes, that surely falls flush with and exposes the true nature of the BBC people—today's Shaitan.

It seems the BBC is really fond of cooking up baseless concoctions. For instance, at the height of the 1988 disturbances in Myanmar, the BBC broadcast what was said to be the voice of a female student who was said to have been raped by the security men at Insein Jail. This was the handiwork forwarded by BBC correspondent, Christopher Guness, [words indistinct]. But eventually when the girl in question, Aye Nyein Thu, came out with the whole truth, BBC's Guness act, put together with the help of the girl, Ma Aye Nyein Thu, Ko Ko Latt, Htay Kywe, and Tin Maung Kywe was exposed. It bared the truth. You may very well remember that incident.

Now, the BBC is up to the same old trick. The BBC people are pushing Myanmar and Bangladesh toward a clash and turn the hate machine on so that through misunderstanding our Moslem friends will hate the Myanmar people. What BBC perpetrated in the most dastardly manner without giving thought to common sense was the baseless report that began at 2015 [1345 GMT] on 29 January. It said currently some Myanmar Moslems, who are trying to get out of the area where the Myanmar Defense Services is making an offensive against the Rohingya rebels, have crossed over to Bangladesh from Myanmar.

Journalists from various countries have gone to meet the refugees who have arrived in Bangladesh, especially those in Cox Bazar, and filed reports: The atrocities of the military government which has entered its fourth year and the horrors of Myanmar are reflected on the face of (Zorah Verin) who is draped in a thin veil from head to toe. She recounted how her husband was nailed to the tree and mutilated by soldiers. How she and her 12-year-old sister were raped by them and how her sister died a tragic death [words indistinct]. These refugees had committed no crimes whatsoever and they were suppressed and tortured for simply being Myanmar Moslems. (Zorah) said (?in the last 20 days) on her way home those soldiers got her and raped her by turns. A week later she and her sister were taken to the garrison at (Latwetaung). There they and other women, about 40 in all, were herded together into one place and were repeatedly raped by soldiers. On the fifth day her sister, who could take it no more, fainted, and died, (Zorah) said.

Thus, reading this account will surely reveal how much maliciously the BBC is insulting the Myanmar people and Myanmar Defense Services. Just as Ma Aye Nyein Thu was unwittingly dragged into the concoction in 1988, this girl (Zorah) might have been dragged in while she may genuinely have suffered such fate. What cannot be is that it could not have been the act of the good training and properly administered Defense Services. It could be that of someone or some group that, on betraying the Myanmar Defense Services by showing hatred for the Myanmar Defense Services, might have schemed such an act.

It is a plight Moslem friends, who have been friendly with us for years and years, will have to seriously ponder. Actually, the term Moslem, according to the holy Koran carries a connotation of obedience for those who are constantly reading the holy book. There need be no special word of caution. Aung Min believes it is a matter of common sense. [passage omitted]

Therefore, all true Moslems are urged to be forewarned not to be taken in by the Shaitan BBC, VOA, and AIR [All India Radio].

What I, Aung Min, would like to practically and respectfully say regarding the religious policy of the successive governments of Myanmar is a fact that every citizen has the right to fully profess any religion he or she likes. There is every evidence that all kinds or religions were allowed to be practiced in Myanmar, even during the times of the Myanmar kings. [passage omitted]

I shall continue to present how the successive governments during the era after the attainment of independence and during this era as well have adopted direct attitude towards all the religions and how they have promoted and looked after them. In our country, the believers in their respective religions, while carrying out the personal religious matters according to their own arrangements, have treated others irrespective of their religious faith as their own brothers and sisters. And in an affectionate and respectful manner in carrying out community welfare works and in [words indistinct] and often work in cooperation with all others for the common weal. [passage omitted]

Part Two

BK0502103192 Rangoon Radio Burma in English 0710 GMT 5 Feb 92

["Second part" of article by Aung Min from 3 and 5 February issues of the WORKING PEOPLE's DAILY: "All Moslem Faithful: Beware of Shaitan BBC"—to "be continued tomorrow"]

[Excerpt] [passage omitted] I have been a member of the Defense Services since I came of age. I seriously and thoroughly studied the codes of conduct of members of the Defense Services, resolutely and seriously observed them. They are the codes of conduct of members of the Defense Services issued with the signature of General Ne Win.

Included in them is the following: When I myself, the commanders, or the staff officers inspect the units we will thoroughly ask questions to find out whether members of the Defense Services have performed their duties as mentioned in the codes of conduct or not. If we find that those inspected have not performed the duties, I myself will take action against the commanding officer concerned without any mercy. It was signed by General Ne Win. The codes of conduct of members of the Defense Services are seriously and strictly observed also at present. The code of conduct for members of the Defense Services contain 60 rules. Of them, 26 are those which are to be observed by members of the Defense Services individually; seven are those to be observed toward the superior officers; nine are those which are to be observed toward the other comrades; 15 are those which are to be practised toward the people; and three are those which are to be practised toward the enemy.

Of the 15 to be observed toward the people I would like to point out the following outstanding ones: respect the traditions, customs, and religions of others—one's religions, traditions, and customs differ from another's; take care of the fact that although one may have a different view on a custom, it may be an important one for another person and which another person holds in high esteem.

Would members of the Defense Services who have to abide by such good and complete codes of conduct in their daily life and in their moving about have raped a Moslem woman as Shaitan BBC has broadcast? And would they have put a resident on a cross and killed him? Only those like the Rohingya terrorists and Nga Mya [derogatory reference to Bo Mya, leader of the Karen National Union], who have no [word indistinct], no code of conduct, and no discipline at all and who use the words—race and religion—to receive dollars, are the ones who commit all sorts of crimes such as frequently raping women and go, frequently killing innocent people, frequently kidnapping people, frequently setting fire to villages, and as such every thinking person knows that it is only they who have committed such evil crimes.

The members of the Defense Services have to stay at camps in towns and villages all over the country as demanded by duty. It is not only near the border with Bangladesh that they have their camps. There are military camps in the border areas near the People's Republic of China and Thailand. As there are military camps in Buthidaung and Maungdaw areas, it is not easy for avaricious businessmen and blackmarketeers and the criminal gangs to go about their evil work. Every thief in this world longs for moonless nights to commit their crimes and thieves, robbers, and dacoits never like the police patrolling the area.

It is certain for the lawful organizations such as the Bangladesh Government and the Bangladesh Defense Services will have sympathy and understanding. However, it is not strange that thieves, robbers, dacoits, blackmarketeers and the Rohinja terrorists do not like the Defense Services. The Defense Services will stand guard to defend and protect the motherland whether they like it or not.

I shall continue to present how far the successive governments and the people of Myanmar [Burma] have been magnanimous in religious matters and that they have given help and are still giving help in religious matters. The broadcasting corporation called BBC and based in London, Britain, still persists in making malicious, agitational, and disruptive propaganda against the Union of Myanmar.

As is common knowledge, the BBC in 1988 shamelessly meddled in other people's affairs and committed waves upon waves of falsehood. They have been so brazen that they even extended broadcasting time; but a pro-imperialist puppet government that the BBC desired did not come into being, but an audacious and patriotic military administration emerged. All that the BBC had tried to create vanished into the thin air, which again prompted the BBC to make more scurrilous attacks in their desparation.

Their shamelessness went to the limit when they permitted such insurgents—previously called rebels—as Sein Win, Win Khet, Peter Linbin, and Moe Thee Zun to make radio broadcasts. These power-mad national traitors were interviewed by Shaitans in the guise of news correspondents and the interviews aired at great cost in money and time. All the masses and patriotic masses who live in Yangon [Rangoon], Mandalay, and other towns no longer waste their time listening to the false agitational propagandas of the BBC, the VOA, and the AIR [All India Radio]. But every village has its share of [word indistinct] and a handful of admirers of aliens go on listening to the broadcasts. Such people are now said to have been shunned by their good and honest neighbors, who have become disgusted with their habits.

The BBC and their accomplice Shaitans have incited public servants. When they were rejected by public servants, they incited students and youths. When they were dismissed by students and youths, they offered veneral monks false hopes and vulgar talks. When venerable monks ignored them, they have now turned towards Moslem masses. What the BBC and accomplices are now trying to confuse the people relate to simple and straightforward story.

Myanmar Government is engaged in an undertaking that accords with international law and that is within its own legal provisions. This undertaking is to check and verify whether those living in the country possess legal qualifications especially qualification prescribed in the Immigration Act. And then those who had illegally migrated into the country and are living without national registration certificates or foreigners registration certificates in villages of Buthidaung and Maungdaw Townships that adjoins Bangladesh fled across the border. And the Defense Services has no reason to go on watching those Rohingya insurgents as admirable objects of beauty. The Defense Services therefore goes out to remove them. These insurgents fled to sanctuaries across the border. They regroup on the west of the border and make preparations to renew their incursions. Since government forces and armed insurgents are not playing with water, like in those Thingyan [Water Festival] days, shots begin to get exchanged. Shots are not fired with flower petals or crackers and flares and how could rejoicing ensue from such situation? But the Defense Services is known to have taken extra care not to hurt any innocent people. Thus, on the one side of the border government forces keep clearing the area in accordance with the law and on the other side of the border armed insurgents run amok in their panic while illegal immigrants fearing legal action flurry into the same general area for their safety. That is all what is happening.

The so-called foreign news correspondents, who delight in fishing in troubled waters, flocked into the area carry on intrigued and write false reports. The BBC and accomplices, who hunger only for such false report, then begin ferociously to broadcast these reports. Birds of a feather flock together. Our country has been independent for 44 years and for all these 44 years has been confronted with this malignant insurgency. We have therefore come to despise insurgency as we despite human [word indistinct]. That was why the Defense Services with the help of the people cleared the deltas and the Pegu Yomas of all insurgents to the last man. Insurgents then fled to frontier areas and regrouped there in the manner of monkeys whose hearts have been dispersed. When we already have our hands full coping with our own insurgents we cannot be hospitable to foreign insurgents. We accept no insurgents who try to come into our country. Do not doubt this; just try and find out through personal experience. Good neighborliness does not end with sweet mouthings. This requires to be proved with the correct and faithful attitude towards one's neighbor.

In the present manner the governments of Bangladesh and Myanmar have with dignity, mutual respect, and restraint solved the problems peacefully and within the law. So far, as I know, there is no problem between the two countries that is beyond solution. Those who are trying to push the two countries into war have wasted their energy again.

Cambodia

U.S. MIA-POW Delegation Arrives for Visit

BK0502072292 Phnom Penh SPK in English 0507 GMT 5 Jan 92

[Text] Phnom Penh SPK February 5—A delegation of the American missing-in-action (MIA) and prisoners of war led by Lieutenant General Christmas, operation director and commander of Pacific region, arrived here Tuesday for a three-day visit to Cambodia.

Christmas schedules to have talks with Cambodian officials on MIA/POW and visit Tuol Sleng museum of genocide, Cheung Ek, and the army museums in Phnom Penh [sentence as received].

Cambodia handed over on January 9 to the United States two remains suspected of being those of the U.S. Marines killed by the Khmer Rouge in 1975.

Sihanouk Agrees To Shorten Trips Abroad

BK0502120692 Hong Kong AFP in English 1139 GMT 5 Feb 92

[Text] Phnom Penh, Feb 5 (AFP)—Prince Norodom Sihanouk, who was planning to leave Cambodia this month and stay away until the end of April, is to shorten his trips abroad, Asian and Western diplomats said Wednesday. The diplomatic community had been putting pressure on the prince to stay in Cambodia to keep the peace process moving.

They feared a two-month absence by the prince could allow the plan to fall apart. Sihanouk is chairman of the Supreme National Council, an interim reconciliation body grouping the country's former warring factions since the signing of peace accords in October.

The prince will still travel to Beijing for a medical check in March and to Pyongyang for North Korean leader Kim Il-song's birthday celebrations in April. But he will keep the trips short and come back between them, the diplomats said.

From February 24-29, Sihanouk also intends to visit the zones of Cambodia under control of the former resistance factions, the diplomats said. He has cancelled previously planned trips to the areas. Sihanouk on

Wednesday went to and returned from Kompong Thom and was to leave for a second day to the central province on Thursday. He has said he wants to discover the cause of fighting there in the country's worst cease-fire violation yet, leaving dozens killed and injured and 10,000 people homeless in early January.

The prince was accompanied by Cambodian People's Party President Chea Sim. It was their second trip together to the provinces. Previously the prince had been accompanied by Prime Minister Hun Sen.

Laos' Phoun Sipaseut Holds Talks With Leaders

Meets Hun Sen, Hor Namhong

BK0402071892 Phnom Penh SPK in French 0207 GMT 4 Feb 92

[Text] Phnom Penh 3 Feb (SPK)—Hun Sen, chairman of the Council of Ministers of the State of Cambodia [SOC], received in Phnom Penh on Saturday, 1 February Mr. Phoun Sipaseut, deputy prime minister and foreign minister of the Lao People's Democratic Republic, currently on a visit to Cambodia.

Chairman Hun Sen welcomed the Lao delegation by qualifying its visit as an encouragement for implementation of the Paris accords on Cambodia, of which Laos is also a signatory. He informed his guest of the situation and activities of the SOC Government during the past three months since the signing of these accords, particularly stressing respect for human rights and the implementation of democracy.

Mr. Hun Sen pointed out that the other Cambodian factions must not take advatange of the situation in order to conduct terrorism.

Mr. Phoun Sipaseut warmly thanked the Cambodian Government for its welcome, which reflects the good relations between the two peoples and countries.

The Lao delegation held that implementation of the Paris accords is a firm basis for national reconciliation, which means peace for the Cambodian people.

The Lao foreign minister also had talks with his Cambodian counterpart, Mr. Hor Namhong.

Discusses Ties With Chea Sim

BK0502012892 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 4 Feb 92

[Text] On the morning of 3 February at the office of the Cambodian People's Party [CPP] Central Committee, His Excellency [H.E.] Chea Sim—chairman of the National Council of the Kampuchean United Front for National Construction and Defense, chairman of the National Assembly, and chairman of the CPP Central Committee—received H.E. Phoun Sipaseut, vice chairman of the Council of Ministers and foreign minister of the Lao People's Democratic Republic, who was visiting Cambodia from 31 January to 3 February 1992.

H.E. Chea Sim warmly welcomed the valuable visit conducted by the Lao Foreign Ministry to Cambodia and considered that the new visit would reinforce and develop the relations of solidarity and cooperation between the two countries. He briefed his guest about the successful outcomes of the Supreme National Council's meetings and reaffirmed the State of Cambodia's sincerity in abiding by the Paris peace accord, with the aim of ending the bloody fratricidal war at an early date.

In his reply, H.E. Phoun Sipaseut highly valued the Cambodian situation, which has evolved rapidly, particularly in the political and economic fields. He also expressed his satisfaction with and support for the Paris 23 October 1991 peace accord, of which Laos is a signatory.

New Deputy Prime Minister Receives South Koreans

BK0402131292 Phnom Penh SPK in French 1132 GMT 4 Feb 92

[Text] Phnom Penh 4 Feb (SPK)—Prince Norodom Chakkrapong, vice chairman of the State of Cambodia's Council of Ministers, received on 1 February in Phnom Penh a delegation from the National Federation of Football of the Republic of Korea led by Mr. Yi Chong-hwan.

The vice chairman of the State of Cambodia's Council of Ministers welcomed the delegation and termed the visit to Cambodia a step in strengthening the relations between the two people.

The South Korean footballers, their first time in Cambodia, met in a friendly match on 2 February [words indistinct] of the Trade Ministry and will today meet the State of Cambodia's national team.

Red Cross Team Continues Prisoner Release Work

BK0402071692 Phnom Penh SPK in English 0405 GMT 4 Feb 92

[Text] Phnom Penh SPK February 4—Red Cross officials entered northern Cambodia on Monday to check claims by Cambodian guerrillas that they have released all prisoners of war, reported AFP.

The team, from the International Committee of the Red Cross (ICRC), crossed the Thai-Cambodian border into a zone controlled by the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] faction, an ICRC official in Bangkok said.

It is to travel later this week to a neighbouring zone controlled by another faction, the Khmer People's National Liberation Front.

"Their purpose is to check who has been released and when, to see if any prisoners are left, and if there are any, if possible, to see them," the Red Cross official said.

Later this month an ICRC team is to visit a zone controlled by the Khmer Rouge, the official added.

All three guerrilla factions have said they have released all prisoners.

The Phnom Penh Government has released about 500 prisoners of war and political prisoners since it and the three resistance factions signed a peace agreement in Paris last October, the ICRC official said.

"It's an ongoing process, but not all of them have been released yet," he said.

Almost 200 of the prisoners released by Phnom Penh have been conveyed by the ICRC back to guerrilla-held areas of Cambodia, the official said.

Ranariddh Distributes Aid to Released Soldiers

BK0302055392 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 1 Feb 92

[Text] A ceremony was held yesterday at 1030 at the office of the National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia [FUNCINPEC] in Phnom Penh to distribute aid to fraternal Sihanoukist soldiers who were recently released from T-5 prison at Trapeang Thlong in Kompong Cham Province.

The distribution of this aid of General Prince Norodom Ranariddh, supreme commander and commander in chief of the National Army of Independent Cambodia [NAIC] and member of the Supreme National Council [SNC], was presided over by His Excellency [H.E.] Yu Hokkri, secretary general of the FUNCINPEC's office and representative of Prince Norodom Ranariddh in Phnom Penh. Also present at the ceremony were Lieutenant General Kim Hang, chairman of the NAIC Military Liaison and Coordination Committee; and Mr. Eng Roland, chief of the Economic and Humanitarian Aid Department.

This generous aid that Prince Norodom Ranariddh has given with profound gratitude to each of those fraternal patriots includes a shirt, a blanket, toothpaste, soap, a toothbrush, and a sum of 16,000 riel.

On that occasion, H.E. Yu Hokkri, on behalf of Prince Norodom Ranariddh, expressed thanks to those compatriots who had made sacrifices for the liberation of our country from the foreigners, stressing that thanks to these sacrifices, Cambodia has achieved peace, freedom, and independence from the foreigners.

He also informed those compatriots that after their release, they will become free citizens who may choose their own place to stay and that the FUNCINPEC will always give them assistance.

Opposition Paper Reports Former Leader's Return

BK0402114292 Hong Kong AFP in English 1115 GMT 4 Feb 92

[Text] Phnom Penh, Feb 4 (AFP)—Cambodia's former leader Pen Sovan is back in the country after a 10-year absence, an opposition newspaper has reported.

The KP Bulletin, put out by the resistance faction loyal to former prime minsiter Son Sann, said the former leader is living in his home province of Takeo, south of Phnom Penh.

He returned to Cambodia "thanks to the efforts of His Excellency Son Sann," the Bulletin said.

The report could not be immediately verified.

The Phnom Penh government was called the "Pen Sovan regime" from 1979 to 1981, when the leader mysteriously disappeared.

Press reports at the time theorized that he had been taken to a Hanoi prison for being too independent-minded in a government installed by Vietnamese troops.

The government here acknowledged for the first time in October that he had been a political prisoner.

Pen Sovan is believed to still have support among Cambodia's public.

Vietnamese Foreign Minister Nguyen Manh Cam, asked during his visit here a week ago about the whereabouts of Pen Sovan, replied simply: "He is not in Hanoi."

Say Chhum Chairs Meeting To Review 1991 Results

BK0302063592 Phnom Penh SPK in English 0213 GMT 2 Feb 92

[Text] Phnom Penh SPK February 2—Phnom Penh was proud of its achievements gained in 1991 in a report presented at its yearly recapitulatory meeting held recently under the auspices of Say Chhum, vice chairman of the Council of Ministers.

The report said the industrial and handicraft output valued at 11,336 million riel, increasing by eight percent over the yearly plan while the income from trading attained 5.5 million riel.

Municipal authorities successfully kept in control soaring of prices of some important consumer goods, especially fuel, the report said, adding that gold price and the exchange rate of the riel had notably slumped down compared with 1990.

However, prices of some other consumer goods and foodstuff at free market remained high, it complained.

The authorities also shifted many handicraft sites to suburban areas so as to improve the city beauty and ensure good environment for the dwellers.

Financial income reached 17,856 million riel, the report said. It added that the income from tax payment exceeded the yearly target by 55 percent.

Income from tourism also increased considerably as it had established airlink with Vientiane (Laos) and Bangkok (Thailand) in addition to Ho Chi Minh City of Vietnam to facilitate visitors to come to Cambodia, the report said.

There were 226 groups of 1,735 tourists flocked to visit Cambodia last year, thus bringing an income of 518.46 million riel or 5 million more than that of the previous year, it added.

In rice production, farmers on the outskirts of the city last year grew 10,330 ha of rice in both rainy and dry seasons achieving 82 percent of the plan.

Fishermen netted 5,800 tons of river fish, overfulfilling the target by 45 percent and the state earned 44.68 million riel from leasing fishing lots to them for the 1991-93 tenancy, the report said.

Fine achievements were also recorded in education, culture and social order, it added.

The meeting set forth plans and measures to manage the free market economy and develop the city in 1992.

In his closing speech, Vice Chairman Say Chhum said attention should be paid on the restoration and construction of infrasturcture in the city by using funds from all economic sectors and aid of international organizations.

At the same time, authorities must try to successfully offer possession certificates to the city dwellers to have rights to own their flats and houses, Say Chhum added.

31 Jan Military Working Group Meeting Noted

BK0502025492 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 4 Feb 92

[Text] At the Mixed Military Working Group's [MMWG] meeting on 31 January, Major General [Maj. Gen.] Michel Loridon, chief military liaison officer of the UN Advance Mission in Cambodia [UNAMIC], called on the Khmer Rouge to allow the UNAMIC force to have access to the areas under the control of its troops.

Mr. Yasushi Akashi, UN special envoy and head of the UN Transitional Authority in Cambodia [UNTAC], held talks with Mr. Son Sen, Khmer Rouge defense minister, in Bangkok last week. At the meeting Mr. Akashi raised a number of difficult and complicated issues created by the Khmer Rouge which are obstructing the UNAMIC inspection of some Khmer Rouge-controlled areas. He also pointed out that the action will cause difficulties in the deployment of an UNTAC contingent in Cambodia in the near future, thus hindering the peace process in the country.

On this issue, Maj. Gen. Michel Loridon asked General Mao Savi from the Khmer Rouge faction to improve the situation. However, the four Cambodian parties unanimously agreed to deploy their military units at the bases of each party. By the way, the Khmer Rouge faction demanded that officers from each party be attached to UNAMIC units already stationed in a number of regions. And Mr. Loridon pointed out that the UNTAC on 29 January installed six members of its force in Kompong Thom Province where serious truce violations had been observed. He said he would survey and further deploy troops in some more regions according to the concrete situation.

Speaking at the meeting, Lieutenant Colonel (Hiver), who has lately been promoted to colonel, proposed to the SOC Government that Thai planes be allowed to fly across Cambodia's airspace to pick up wounded soldiers among the 700 Thai demining troops that came to the country on 3 February 1992.

At the conclusion of the meeting, Mr. Loridon said: The peace mission in Cambodia will face serious difficulties. However, we are pleased to do our utmost to make this brilliant assignment positive. Loridon also disclosed that the sixth MMWG meeting will be held on 14 February 1992 to settle the remaining issues with the aim of definitely deploying the UNTAC contingent in Cambodia.

Indonesia

U.N. Envoy To Seek Clarification on Dili Incident

BK0402095292 Jakarta ANTARA in English 0903 GMT 4 Feb 92

[Text] New York, Feb 04 (OANA-ANTARA)—U.N. Secretary General Butros Butros Ghali has decided to send Kenyan Attorney General S. Amos Wako, an international functionary on human rights as his special envoy to Indonesia to collect information on the November 12, 1991, incident in Dili, East Timor.

The Indonesian deputy permanent representative to the U.N., Ambassador Nugroho Wisnumurti, explained to ANTARA that the plan to send the U.N. secretary general special envoy had been discussed with the Indonesian side.

And the envoy's mission was not to conduct an investigation, but only to seek clarification on the Dili incident, he added.

An announcement of the U.N. secretary general's office on Monday said that during his visit to Indonesia, Wako would meet government officials and members of the National Commission of Inquiry as well as other interested parties.

According to the announcement, Wako's mission would start on February 8 and last for about one week. He would be accompanied by two officials of the U.N. secretary general office.

Nugroho said that the dispatch of the envoy conformed to the existing procedure and not as reported by the mass media several months ago, giving the impression that former U.N. Secretary General Javier Perez De Cuellar had unilaterally decided to send his envoy without prior agreement of Indonesia.

Government Wants Consultations First

BK0502103492 Jakarta ANTARA in English 1010 GMT 5 Feb 92

[Text] Jakarta, Feb. 05 (OANA-ANTARA)—The Indonesian Government will consider a visit by the United Nations secretary general's envoy, S. Amos Wako, to East Timor if he requests it, Interim Minister of Foreign Affairs L.B. Murdani said on Wednesday.

"There is a possibility for the UN envoy to visit East Timor but before he goes there we need to discuss it first," the minister said before attending a cabinet ministers meeting.

Kenyan Attorney General S. Amos Wako has been named by the UN secretary general as a personal envoy to visit Indonesia to get clarification on the November 12 incident in Dili, East Timor.

Indonesian Deputy Permanent Representative to the UN Nugroho Wisnumurti said on Monday that the plan to send a UN envoy to Indonesia had been made during a talk with the Indonesian side based on procedures.

Assisted by two officials of the UN Secretariat General, Amos Wako will pay a week-long visit in Indonesia as of February 8.

"He will arrive in Jakarta to meet the chairman of the National Enquiry Commission (KPN), the foreign affairs minister, and the House speaker," Murdani said.

He reaffirmed the government had decided that the solution of the Dili incident is the internal affairs of Indonesia and its solution has been carried out well by the KPN.

"We believe the results of the KPN enquiries," Murdani answered when asked on the possibility of different data obtained by the KPN and by the UN envoy.

MPs React Warily

BK0402110192 Jakarta ANTARA in English 1005 GMT 4 Feb 92

[Text] Jakarta, Feb. 04 (OANA-ANTARA)—A visit to Indonesia by a United Nations envoy to get clarification on the November 12 incident in Dili is acceptable as long as it aims at seeking clarity to prevent distortion of information in the international forums, an MP said here on Tuesday.

"For this purpose, the UN envoy does not need to visit East Timor, but it would be enough to meet the National Enquiry Commission (KPN) and the relevant official, namely the Indonesian foreign minister," said Theo L. Sambuaga, deputy chairman of the house's Foreign Affairs, Security, and Defence Commission.

Sambuaga was responding to a planned visit by Attorney General S. Amos Wako in his capacity as an international human rights officer who is named by the UN secretary general to get information on the Dili incident which claimed a number of lives last year.

Nugroho Wisnumurti, Indonesian deputy permanent representative to the United Nations, said in New York Monday that the plan to send a UN envoy to Indonesia had been decided during a talk with the Indonesian side. Assisted by two officials of the UN secretariat general, Amos Wako will pay a week-long visit in Indonesia as of February 8.

Theo Sambuaga expressed confidence that the UN mission would obtain the required explanations as Indonesia has since the beginning said it would not hamper any UN mission as long as the visit is based on procedures. He believed that UN officials had actually known the results of the KPN because reports on them had been disseminated.

"The UN will send an envoy just to comply with its previous statements that it would send a mission to Indonesia," he added.

The MP said that if the UN envoy wanted to visit East Timor, it should be refused because it would only leave the impression that the results of the KPN were incredible.

Meanwhile, Vice Secretary of the Golkar [Functional Group] Faction (FKP) of the House of Represenatives Marzuki Darusman said that the visit of the UN envoy should be utilized as an official means to explain the results of the KPN enquiry. He also shared the opinion of Sambuaga which said that the visit by the envoy is acceptable as long as it follows procedures and is not carried out on a personal observation basis.

Dossiers Completed on 30 Dili Suspects

BK0402105092 Jakarta ANTARA in English 1007 GMT 4 Feb 92

[Text] Dili, Feb. 4 (OANA-ANTARA)—The police in East Timor has completed dossiers on 30 of the 32 actors of the November 12 incident at the Santa Cruz Cemetery and is expected to submit them soon to the High Court for legal settlement.

This was disclosed by East Timor Police Chief Col. Ishak Kodiyat to the press here on Monday.

Consultations are under way to complete dossiers on the two other actors with the High Court, he pointed out, adding that in the meantime one of aforesaid 30 reports is made up of 600 pages.

A police dossier under study now by the prosecutor deals with one GCDS [expansion unknown] (29), accused of being the mastermind and mass instigator during the bloody incident which claimed 50 human lives and injured 91 others as evident from the KPN (National Investigation Commission) report.

All the actors are now held in custody in the local police detention house, the police commander said. Preliminary investigations have revealed that 14 of them were involved in criminal acts and the other 18 in infringement of civil laws.

The police command has appointed Ponco Atmono as their legal advisor to flank them during investigations and court sessions.

The actors whose police dossiers have been completed are composed of students, workers, a civil servant, whereas eight of them are out of job, the colonel revealed.

Earlier, the police command has managed to complete the police reports on five offenders involved in the Motael Church event on October 28 of last year so that their cases will be submitted to the High Court simultaneously, the colonel said.

Suharto Meets With German, Japanese Delegations

BK0402103592 Jakarta ANTARA in English 0958 GMT 4 Feb 92

[Text] Jakarta, Feb. 4 (OANA-ANTARA)—Germany is convinced that President Suharto will implement all decisions concerning the Dili November 12 incident which occurred last year, including taking those believed to be guilty to court.

"We believe that President Suharto is determined to carry out his decision that those who are guilty must be tried," Vice Chairman of the German Parliament Hans Klein said at Bina Graha Presidential Office here Tuesday.

Following his courtesy call on President Suharto, Klein who is heading the visiting German parliamentary delegation here, told the press that the Indonesian head of state had explained his decision to deal with the Dili incident. The president has instructed the replacement of several Armed Forces ranking officials following the Dili incident in East Timor. He has also ordered that those guilty in the incident must be taken to court.

"We realize how heavy the task of President Suharto is in maintaining the unity of the nation which has a big population living in over 17,000 islands," Klein said.

Klein, who was flanked by Indonesian House Speaker Kharis Suhud, expressed his gratitude to President Suharto for the head of state's support for German unification.

Later, President Suharto, at the same place, received a Japanese economic mission for East Asia and Oceania led by former Deputy Finance Minister Sadaraki Hirasawa. The head of state briefed the Japanese delegation on the develoment progress in Indonesia.

Suharto Chairs Meeting on Economic Affairs

BK0502100492 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 5 Feb 92

[Figures as heard]

[Text] President Suharto today chaired a limited cabinet meeting on economic, financial, and industrial affairs at the Bina Graha Presidential Office. At the meeting, the president instructed the cabinet to further enhance the export of industrial products despite their good performance in 1991. In addition, the head of state also asked the relevant departments to make preparations for the creation of the ASEAN Free Trade Area which was agreed upon during the fourth ASEAN summit meeting in Singapore recently.

Following the just concluded cabinet meeting, Information Minister Harmoko said that Indonesia's inflation rate last January was 0.04 percent and that the amount of money circulating by November 1991 reached 25.831 trillion rupiah. On the balance of trade, Indonesia recorded a surplus of $240,500,000 in November as its exports reached $2,368,100,000, while its imports amounted to $2,127,600,000. Indonesia's trade surplus reached $3,059,300,000 from January to November 1991. During this period, Indonesia's exports totaled $26,413,000,000, while its imports amounted to $23,353,800,000. Total exports amounted to $2,300,000,000 in November. Nonoil and nongas exports reached $1,597,000,000, while the oil and gas sector contributed $771,000,900. Fresh prawns, fish, coal, footwear, furniture, steel, electrical appliances, canned foods, fertilizer, palm oil, paper, and fruits were among the nonoil and nongas products whose exports increased during this period.

The cabinet today also discussed the availability of various agricultural commodities of strategic importance and efforts to eradicate a disease that attacks coffee trees in East Timor Province. In addition to ministers, the cabinet meeting was also attended by Vice President Sudharmono.

Home Minister Warns Against Failure of Elections

BK0502101092 Jakarta ANTARA in English 0832 GMT 5 Feb 92

[Text] Medan (North Sumatera), Feb. 5 (OANA-ANTARA)—Home Minister Rudini voiced a warning here on Tuesday that failure of the next general elections and the MPR (People's Congress) sessions in 1993 would mean a dim future for the Indonesian nation.

He said the general elections and the ensuing MPR sessions are most strategic and significant in nature for the Pelita (five-year development) V era.

Lecturing to participants of a consultation meeting of the West Indonesia Synod Council of the Protestant Church here, the minister appealed to the whole Indonesian nation to take part in the elections and contribute to the success of the polls and the ensuing MPR sessions.

A significant and decisive condition for these successes is the creation of political stability without which a lot of constraints and problems would be the consequences, the minister reasoned.

All organizations of sociopolitical forces have been making preparations internally in their effort to win the widest possible support and the most votes. This, of course, is reasonable in a climate of democracy as preparations and rather heavy strugglings are required for the elections.

However, the people's political mindedness which has been constantly increasing owing to the development results has also caused them to drop premordialistic [as received] characteristics, the minister noted.

Such a political growth will give impetus to the organizations taking part in the elections to have the capacity to come up with programmes which draw the voters' sympathy. The minister suggested.

In his lecture, the home minister also expected that being a religious body, the GPIB (Protestnt Church of West Indonesia) would not neglect its social function, but on the other hand would foster the feeling of togetherness and solidarity in the state and nation's life. Exlusivism must be avoided by GPIB members because it would just harm social solidarity, the minister appealed, explaining that mixture with the other groups would lead to the establishment of a strong and solid Indonesian nation.

Bank Chief Reaffirms 'No-Devaluation Policy'

BK0502101692 Jakarta ANTARA in English 0851 GMT 5 Feb 92

[Excerpt] Jakarta, Jan. 5 (OANA-ANTARA)—Bank of Indonesia Governor Adrianus Mooy said the government would be in a dilemma if asked to clarify her policy regarding the devaluation of the rupiah against the U.S. dollar.

"The more often I say that there will be no devaluation, the lower the people's trust will be in the statement I made," the bank governor said in a working meeting with House Commission VII on Tuesday night.

He admitted that for the last two years predictions about devaluation by the government were many. Lately, it was on September 12 of last year—a reaction from the people, ready to face the devaluation, but there was no devaluation, the governor pointed out.

The working meeting under the chairmanship of the commission's deputy chairman, Yahya Nasution [which] lasted till nearly midnight, was told by the Central Bank's governor that the government's option of better not to talk too much about devaluation was a consequence of the people's reactions [sentence as received].

The government, however, is persistent to uphold her no-devaluation policy, Mooy pledged, explaining that what has happened thus far is a depreciation of five percent against the U.S. dollar.

Answering questions by commission members, the Central Bank governor said that the rupiah's stability against the foreign currencies much depends on the inflation rates.

If the rupiah's inflation rate can be maintained at 10 percent, whereas that of the U.S. dollar remains at five percent, it would mean that the depreciation rate of five percent of the rupiah against that foreign currency could be maintained, he said.

As for the low exchange rate of the rupiah in the face of the Singapore dollar—for instance in spite of the fact that Indonesia's inflation rate can be maintained to lower than 10 percent—is due to Singapore's ability to maintain a still lower rate, [words indistinct] to about 2.5 percent only.

It is also within the context of the rupiah's stability that the state's foreign exchange reserves are being kept in the form of several foreign currencies not merely in U.S. dollars but also Yen and German mark currencies and in constantly changing compositions.

Laos

Officer Discusses MIA Program With U.S. Team

BK0502105292 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 5 Feb 92

[Text] On the morning of 4 February, at the Ministry of National Defense in Vientiane, Colonel Phommachak Southisan, acting head of the Foreign Relations Department of the National Defense Ministry of the Lao People's Democratic Republic [LPDR], received a U.S. military delegation from Hawaii led by Major General Christmas, operations director and commander of the Asia-Pacific region for resolving the question of U.S. soldiers missing in action in Indochina.

In a conversation that proceeded in a good atmosphere, Maj Gen Christmas informed Col Phommachak Southisan of a U.S. program to search for the remains of U.S. MIA's at many points in the LPDR. Col Phommachak Southisan told the U.S. side that the Lao side is always sincere in cooperating and coordinating with and providing all possible conveniences to U.S. authorities in searching for the remains of U.S. MIA's in Laos, as has been consistently executed by the LPDR in the past on the basis of a program agreed upon by technical authorities of the two sides.

Minister Reviews Kaysone's Visit to Thailand

BK0202130992 Vientiane PASASON in Lao 23 Jan 92 pp 1, 3

[Interview with Phao Bounnaphon, minister of foreign economic relations, by unidentified PASASON correspondent on President Kaysone Phomvihan's visit to Thailand—date not given]

[Text] [PASASON] What is your evaluation of the result of the visit to the Kingdom of Thailand of our president?

[Phao Bounnaphon] The visit to the Kingdom of Thailand by His Excellency President Kaysone Phomvihan was extremely successful and has laid down the foundation for strengthening unity, friendship, and cooperation between the Lao People's Democratic Republic [LPDR] and the Kingdom of Thailand. The high-level LPDR delegation received a warm and cordial reception during the visit. The mutual understanding between the two sides has fostered conditions favorable to economic, technical, and scientific cooperation between Laos and Thailand as well as cooperation in other fields between the two peoples. The subsequent strengthening of the good-neighborly and brotherly relations between the two countries will enable Laos and Thailand to live in peace and mutual understanding.

[PASASON] Can you describe the past cultural and socioeconomic relations between the two countries?

[Phao] Following the visit to the LPDR of Her Royal Highness Princess Maha Chakkri Sirinthon, economic, technical, and cultural cooperation between our two countries remarkably increased. The governments of the two countries have concluded agreements on the establishment of the Lao-Thai and Thai-Lao committees in charge of economic, technical, scientific, and cultural cooperation; reduction of freight rates for transit goods; settlement of trade problems; the lowering of import duties on Lao agricultural products which is aimed at boosting bilateral trade; and promotion of border trade. The Thai side has also accepted Lao technicians for short training courses in Thailand. At present, the two sides are holding consultations on cooperation in the fields of tourism, arts, and culture.

[PASASON] There has been a rumor spreading in Thailand that Thai investors have no confidence in investment in Laos because of the inconsistency of regulations. What is your opinion in this regard?

[Phao] I came to Bangkok late last year to attend a meeting on investment in Laos. Several questions were raised during the meeting by Thai investors, some of which were quite reasonable. Since the implementation of the open-door policy, the Lao Government has promulgated laws and regulations on foreign investment in Laos so as to provide conveniences and create confidence for investors from Thailand and other foreign countries. So far, many foreign investors, mostly from Thailand, have invested in Laos. In fact, some inconveniences can be attributed to the Lao side. However, some of the problems also might have arisen from the Thai investors themselves, who are unaware of the actual conditions in Laos and fail to understand the principle of mutual interests, respect for the country's independence and sovereignty, and legal free trade. In some cases, their actions are against the laws promulgated by the Lao Government. Hence, misunderstandings occur resulting in interruptions or delays of some investment projects and distrustfulness among Thai investors. However, the majority of the Thai investors who have invested in Laos are doing their business fairly well.

Assembly Chairman Returns From Visit to Japan

BK0302141792 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 3 Feb 92

[Text] Yesterday evening, His Excellency [H.E.] Nouhak Phoumsavan, chairman of the Supreme People's Assembly [SPA] of the Lao People's Democrartic Republic [LPDR], arrived back in Vientiane after concluding an official visit to Japan at the invitation of the Japanese Government and parliament from 26 January to 2 February.

On hand at Wattai Airport to welcome Nouhak Phoumsavan and his entourage were H.E. Khamphoui Keoboualapha, deputy prime minister and minister of economy, planning, and finance; H.E. Oudom Khatthigna, lord mayor of Vientiane Municipality; H.E. Thongsing Thammavong, vice chairman of the SPA and head of the party Organizational Board; and ministers, deputy ministers, SPA members, and a number of high-ranking cadres concerned. H.E. (Yukito Miraka), charge d'affaires ad interim of Japan to Laos, was also present at the airport to welcome H.E. Nouhak Phoumsavan.

During his friendship visit to Japan, H.E. Nouhak Phoumsavan met with H.E. Kiichi Mayazawa, prime minister of Japan; H.E. Sakurachi, speaker of the House of Representatives; and H.E. Osada, speaker of the House of Councillors. The meetings with those personalities proceeded in an atmosphere of friendship and mutual understanding and constituted a new step for continued development of the relations of friendship and cooperation between Laos and Japan, especially between the parliaments of the two countries.

In addition, H.E. Nouhak Phoumsavan and his party visited many economic, cultural, and social foundations in Tokyo, Hiroshima, (?Yokohama), and Kyoto. They visited the modern (Toni) hydroelectric dam, a primary school in Tokyo, and the (?Imperial Court) of Emperor Meiji; laid a wreath at the Hiroshima Monument; and visited the Japanese traditional (?green tea drinking) school and a modern textile factory. Moreover, they met with many officials of local administrations in Japan. The visit to Japan by H.E. Nouhak Phoumsavan was aimed at further promoting Lao-Japanese cooperation, especially after H.E. Kaysone Phomvihan, president of the LPDR, paid a visit to Japan in 1989. At each meeting, the two sides reached mutual understanding and unanimity and exchanged experience with each other. The Japanese side expressed its goodwill to give assistance to Laos, especially in the agricultural, education, cultural, and social fields. All this clearly shows the effectiveness of the open-door policy of economic relations pursued by the Lao Government, which has created favorable conditions for many countries to develop the interest to invest more in our country.

Leaders at New Year Party Hosted by SRV Envoy

BK0402130792 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 4 Feb 92

[Text] Nguyen Xuan, SRV ambassador extraordinary and plenipotentiary, and his wife hosted a reception at the SRV Embassy yesterday evening to mark the Vietnamese traditional New Year.

Attending the reception were such personalities in the Political Bureau as Phoun Sipaseut, Oudom Khatthi-gna, Choummali Sai-gnason, Somlat Chanthamat, Khamphoui Keoboualapha, and Thongsing Thammavong.

Phoumi Vongvichit, adviser to the party Central Committee, also attended the reception together with many ministers, deputy ministers, and high-ranking cadres from many ministries, departments, and units in Vientiane.

Representing the Lao party, government, and people, Phoun Sipaseut, member of the Lao People's Revolutionary Party [LPRP] Central Committee Political Bureau, deputy prime minister, and foreign affairs minister, proposed a New Year toast to the Vietnamese party, government, and people, wishing them happiness and joy in celebrating their traditional New Year.

Phoun Sipaseut said: In the new year, may you attain happiness and successes in fulfilling all of your tasks. He also wished that the special solidarity and comprehensive cooperation between Laos and Vietnam be further strengthened to perpetually bear more fruit.

Speaking on behalf of the embassy staff, Nguyen Xuan thanked all the guests for attending the Vietnamese New Year reception. He noted: In the past year, even though the weather conditions were unfavorable and the international situation was changing rapidly, thus creating considerable difficulties for our two countries, our countries still enjoyed political tranquility, our economies continued to develop positively, and our international relations have been continuously broadened and developed.

The ambassador wished the fraternal Lao people new achievements in the evolution of the restructuring movement launched by the LPRP.

Philippines

Aquino To Cut Spending if Tax Measures Rejected

HK0502031292 Manila THE CHRONICLE in English 5 Feb 92 p 9

[By Booma Cruz]

[Text] Malacanang said yesterday President Aquino would issue an administrative order limiting government spending should the Senate not pass the tax enchancement measures meant to raise extra revenues.

Executive Secretary Franklin Drilon said yesterday Malacanang was preparing the order designed to "tighten the government's belt" to meet the expected budget deficit this year.

"If we cannot get the tax measures, then we will have to impose limitations on the level of spending of the bureaucracy in order that the program deficit will not be exceeded.... In case the tax measures are not passed we are prepared," he said.

Congress has until Feb. 5 to act on the pending bills certified by the President as urgent.

Senate President Neptali Gonzales said the current session of Congress might be extended by a day or two to ensure the passage of some urgent bills.

Pending before the Senate were bills on the refinement of the value added tax system, the creation of a large taxpayers unit in the Bureau of Internal Revenue [BIR], and the strengthening of the administrative capability of the BIR by allowing higher pay and incentives to tax collectors in exchange for the removal of security of tenure clause for tax collectors.

According to Drilon, the creation of a large taxpayers unit and strengthening of administrative capability of BIR would not involve additional taxes but improve tax collection. He said only the refinement of the VAT [Value Added Tax] was a revenue-raising measure.

Drilon said the non-passage of the refinement of the VAT scheme would force the government to impose a 'reserve on the expenditure level of line departments. He claimed that the government might impose a 10% reserve on line agencies, limiting expenditure to only 90% of the budget.

An alternative towards this end could be to require agencies not to fill up vacancies to save on the budget.

Drilon, however, assured that the government would resort to budget cuts without sacrificing the delivery of basic services to the populace.

Aquino Thanks Resigning Cabinet Members

HK0502110392 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 5 Feb 92

[By Dick Sinchongco]

[Text] President Cory Aquino has formally thanked her resigning cabinet members Press Secretary Tomas Gomez III, Labor Secretary Ruben Torres, Health Secretary Alfredo Bengzon, and Budget Secretary Guillermo Carague, who are all running for office in the coming 11 May elections. In an ambush interview, the president stressed:

[Begin recording in English] [Aquino] I wish them the very best. I thank them for their support and for all the services they have given to our countrymen and I certainly wish them the very best in their new occupation. I would certainly work for them and give all I can in order to ensure their victory.

[Sinchongco] What do you think of Commander Dante [former New People's Army chairman]?

[Aquino] He is coming to see me tomorrow.

[Sinchongco] What about Secretary Drilon?

[Aquino] Secretary Drilon will speak for himself. [end recording]

In the same interview, the president stressed that Executive Secretary Franklin Drilon has made no decision yet if he will run in the May elections or not. Some of the secretaries are presently attending their last cabinet meeting held in Malacanang. Some of them, particularly Press Secretary Tomas Gomez III, are expected to file their certificates of candidacy at the Commission on Elections tomorrow.

Meanwhile, Ramon Desuasido is set to take his oath of office as the new solicitor general tomorrow, replacing resigned Solicitor General Francisco Chavez who will run for senator under former Defense Secretary Fidel Ramos' party.

Charges Leveled Against 11 Government Officials

HK0502024892 Manila Far East Broadcasting Company in Tagalog 0100 GMT 4 Feb 92

[Text] President Aquino has declared her faith in Bureau of Internal Revenue Commissioner Jose Ong, who is being accused of acquiring various assets amounting to P21 million [Philippine pesos]. Mrs Aquino, who urged Sorsogon Representative Bonifacio Gillego not to hide behind immunity privileges enjoyed by legislators, challenged him to provide proof and to charge Ong accordingly. Gillego has questioned Ong's purchases in July 1990 and January 1991 of houses and land in Makati and Alabang, despite the fact that Ong does not earn that much.

Meanwhile, formal charges of financial irregularities and embezzlement will be brought against former Education Secretary Lourdes Quisumbing. The irregularities involve P350 million paid for the Education Department's purchase of books from the Instructional Material Corporation [IMC]. Along with Quisumbing, two Education Department undersecretaries, three IMC officials, and four officials of a bank will likewise be charged.

Meanwhile, the Supreme Court has chastised former Solicitor General Francisco Chavez for his sudden departure from his post while cases against the Marcoses remain unresolved. In a decision written by Associate Justice Flerida Ruth Romero, the court ruled as flimsy Chavez's reasons for refusing to defend the Presidential Commission for Good Government. He has been ordered to remain as a representative of the commission .

Two Bombs Explode in Metro Manila; One Injured

HK0502011692 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 4 Feb 92

[Text] Two strong explosions occurred last night at different places in Metro Manila, injuring one person. The first explosion occurred at 2155 on the second floor of the Puson Building on the corner of E. Rodriguez Avenue and Gilmore Street in Quezon City. The building is owned by Vice Governor Baby Puson of Cagayan Province.

Ten minutes later, the other explosion went off in Building A, Level 2 of the Shoemart Mega-Mall in Mandaluyong. The Premier Gem stall was destroyed but no one was injured.

Authorities suspect that only one person was involved in the bombings because a C-4 bomb was used in both places.

Exiled Rebels Will Not Participate in Polls

HK0502094992 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 5 Feb 92

[Text] Jose Maria Sison, chairman of the Communist Party of the Philippines [CPP], and Nur Misuari, Moro National Liberation Front chairman, have no plans to return to the Philippines to participate in the coming elections. Brigadier General Alfredo Filler, Armed Forces of the Philippines intelligence chief, said he has not received a report from their operatives outside the Philippines which signifies any plan by the two leading rebel leaders to participate in the May elections. According to Filler, Sison continues to reside in Utrecht, the Netherlands, where he awaits the Dutch Government's action on his appeal to extend his asylum status there. It will be recalled that the Netherlands failed to renew his refugee status because of his relations with the New People's Army [NPA], which continues to believe in armed struggle.

Misuari, on the other hand, is in the Middle East where he has been residing since the secessionist war in Mindanao begun.

Filler said he does not believe Sison will return because this will be construed as his acceptance of the military claim that the CPP-NPA have become ideological orphans. Filler added he is not against the legalization of the CPP if it abandons its armed struggle and its goal to overthrow the administration through violent means.

Nacionalista Party Names Candidates for Polls

HK0502095892 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 5 Feb 92

[Text] Businessman Eduardo Danding Cojuangco and Senator John Osmena were proclaimed presidential and vice presidential candidates respectively by the Nacionalista Party [NP]-Cojuangco wing in today's party convention at the University of Life auditorium. The NP-Cojuangco wing convention was attended by various party affiliates including the Pilipino Party, Pusyon Bisaya, Independent Nacionalistas and Allies, Northern Luzon Alliance, League of Mindanao Leaders, Davao Strength, BALANE [expansion unknown], and the Moro Homeland Congress.

Twenty of the party's 24 senatorial candidates were also proclaimed in the party. These include Senator Ernesto Maceda, former Senator and constitutionalist Arturo Tolentino, Congresswoman Nikki Coseteng, Attorney Katrina Legarda-Santos, Mario Leviste, Manuel Barcelona, Gerry Geronimo, General Alexander Aguirre, Elsa Payumo, Jess Pareded, Mrs. Vivian Navarro-Hultman, Ruben Ancheta, General Felix Brawner, Rene Climaco, Gerry Barican, Glo Adiong, former Assemblyman Gerry Espina, Mike Lopez, Ruffos Rodriguez, and Ramon Osmena.

New Army Civil Relations Service Head Named

HK0302133692 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 3 Feb 92

[Text] Brigadier General Romeo Padiernos today assumes the post of commander of the Armed Forces Civil Relations Service. He is replacing Brigadier General Ramberto Saavedra who is returning to his former post of deputy commander of the Southern Luzon Command. Saavedra is expected to replace Southern Luzon Command chief Federico Ruiz who is reportedly going to resign soon to run for the position of Aklan governor. Padiernos is the former commander of the 101st Army Brigade and a graduate of the Philippine Military Academy class of 1964.

State Sells Majority Stake in Philippine Airlines

HK3101072392 Manila PHILIPPINE DAILY INQUIRER in English 31 Jan 92 pp 1, 11

[By Oscar M. Quiambao]

[Text] The government yesterday sold 67 percent of its equity in Philippine Airlines [PAL] for P [Philippine Peso] 9.78 billion to a consortium led by two of the country's biggest business families.

President Aquino quickly defended the auction as "open and transparent" amid charges that the national flag carrier was undervalued.

The sale gives control of the 50-year-old airline to the Sorianos, who run the San Miguel beer and food conglomerate, and the Cojuangcos, who run PLDT [Philippine Long Distance Telephone] and control Bank of Commerce and are relatives of the President.

Although the auction was conducted by a privatization committee, the President is expected to make the final approval of the sale.

"I am very pleased. This is more than we expected," said Finance Secretary Jesus P. Estanislao, who was in charge of the sale.

The consortium, led by the AB [expansion unknown] Capital and Investment Corp. of the Soriano family and Korean Airlines, bested two other bidders. The Philippine Commercial International Bank [PCIBank]-led consortium offered P9.09 billion while UBP [expansion unknown] Capital Corp., submitted P6.97 billion, the lowest bid.

The PCIBank group was tied up with American Airlines while the UBP Capital group was linked to Speedwing, a consulting subsidiary of British Airways.

The winning bid was P1.2-billion higher than the P8.6-billion floor price set by the Commission on Audit (COA) and P1.4 billion more than the socalled "hurdle price" pegged by the PAL privatization committee.

The AB Capital group offered a bid of P4 billion in cash plus eligible Philippine debt papers with a total face value of $419.02 million.

At the current exchange rate of P26.527 to the U.S. dollar and at a cash equivalent of the debt papers at 52 U.S. cents to a dollar, the proceeds from the debt papers to be used by the AB Capital group will amount to P5.78 billion. Adding the P4 billion in cash, the total amount is P9.78 billion.

Korean Air did not put up any equity and there was no breakdown of percentage points among AB Capital's investors.

Estanislao had originally hoped that a foreign airline would take an equity stake in PAL. But widespread problems within the airline business made several overseas airlines reluctant to participate in anything other than a consultancy capacity, officials said.

To make PAL more attractive to prospective bidders, the government last year took over $513 million in debt to leave the firm with a clean balance sheet for investors.

Immediately after the bidding, the inter-agency Committee on Privatization (COP) approved the award to AB Capital and endorsed the sale for Ms. Aquino's final approval.

Ms. Aquino, in turn, issued a statement yesterday defending the privatization of the national flag carrier.

A debate over pricing policy had earlier erupted when the Commission on Audit [COA] said the minimum bid price of P6.669 billion was not enough.

The Senate entered the controversy by demanding an investigation into the sale last Wednesday, raising the prospect of a delay that would badly affect the government's attempt to sell state-owned assets in its privatization program.

Sen. Ernesto Maceda said yesterday he will allow the sale to go through but promised to investigate the legality of the bidding later.

But Ms. Aquino said the winning bid of AB Capital was "substantially in excess of the face value of the assumed debt as well as the floor price proposed by COA."

The President scored COA Chairman Eufernio Domingo and Vice President Salvador H. Laurel for claiming that the government was selling PAL at a loss.

"The floor price of P6.669 billion was merely a recommendation of the Technical Committee," Ms Aquino said.

The COP explained that the winning bid ($419 million worth of debt papers and the dollar equivalent of the P4-billion cash, or $150 million) was already in excess of the $512 million face value of PAL's foreign debt that was transferred to the national government.

The government is also left with 13 percent of PAL's outstanding capital stock as its total equity in the airline was 80 percent.

A senior AB Capital official told the INQUIRER that the group may have to pay the full amount in cash as their holdings of eligible debt papers is minimal.

He added that the group will still preserve the existing domestic routes of PAL although they will have to decide on what to do with the airline's losing short distance flights.

New Zealand To Increase Assistance to Manila

HK0502025992 Manila MANILA BULLETIN in English 5 Feb 92 p B-20

[By Leonardo Q. Belen]

[Excerpt] New Zealand, a country which is as large as the Philippines in size and with 3.5 million population, is committed to pursue a continued assistance to the Philippines particularly in agriculture, reforestation and environmental concern.

Warren Searell, New Zealand embassy counsellor and consul general, made the assurance yesterday even as he cited the commendable relations which exist between his country and the Philippines.

His country, which celebrates on Feb. 6 the 152nd anniversary of the Treaty of Waitangi which created New Zealand, has already embarked on a joint forestation program with the Department of Environment and Natural Resources (DENR) with a financing program of P40 million [Philippine pesos] for a five-year period ending in 1993.

The forestation program, initially called the RP [Republic of the Philippines]-New Zealand Bukidnon Industrial Plantation Project (BIPP) and later on converted into the Bukidnon Forests Incorporated, is located in Malaybalay, Bukidnon.

In addition to the P40 million grant in cash, New Zealand provides resident and short term advisers and technical backup.

The DENR provided 14000 hectares of denuded cogon hill country, free of grazing or other leases, plus P35 million.

The primary objective of the joint forestation program is to establish and operate a commercially viable enterprise in the business of plantation forestry, serving local needs for quality grades timber and as well as fuel wood.

The project site has already been planted with 1.6 million seedlings attended to by no less than 1000 workers. When the utilization of the forest begins, a work force of 3,700 people will be required.

When the project is already in full production, it will produce 420,000 tons of industrial wood per annum with an estimated cash inflow of P189 million.

Consul General Searell said that the Bukidnon project is a unique joint undertaking between his country and the Philippines, and it is the first of its kind locally. [passage omitted]

Thailand

Prime Minister Receives Czech Counterpart

BK0402115992 Bangkok Voice of Free Asia in Thai 1030 GMT 4 Feb 92

[Text] Visiting Czech Premier Petr Pithart called on Prime Minister Anan Panyarachun to discuss bilateral trade and ways to boost trade between Thailand and Russia. The Czech premier briefed his Thai counterpart on the change from the socialist to democratic government system in his country which also entailed the reform of the economic system, such as privatization of state enterprises and promotion of free trade with foreign countries. He said his country is comparable to the gateway for exports to former East European countries and the Commonwealth of Independent States. Because the Thai economy is growing very rapidly, the Czech premier urged the Thai Government to encourage investment by the Thai private sector in his country. His country is also ready to cooperate in joint investment ventures with Thailand in Indochina.

The Czech premier also expressed support for the establishment of the ASEAN Free Trade Area at the recent ASEAN summit, saying the agreement will benefit trade cooperation between ASEAN and other groupings.

Army Mineclearing Task Force Sent to Cambodia

BK0402011492 Bangkok BANGKOK POST in English 3 Feb 92 p 1

[Text] Rat Buri—Supreme Commander and Army Chief Gen Suchinda Khraphrayun, sending a task force engineering battalion to repair Cambodia's Highway Five and to clear mines in the country, has called attention to the friendly nature of their mission.

Thailand's decision to help Cambodia in these tasks proves its "friendship and sincerity" towards the war-shattered country, Gen Suchinda told the soldiers before they left for the Thai-Cambodian border town of Aranyaprathet yesterday.

Soldiers involved in the special operation should "keep in mind the good relations" existing between the two countries and refain from any "temptation" that might bring dishonour, he said.

He was speaking during a ceremony at the Panurangsri Camp, the seat of the Army's Second Engineering Regiment, the origin of the "Task Force Engineering Battalion" assigned to Cambodia.

Foreign Minister Asa Sarasin and diplomats representing 15 countries including the United States, China, Australia and Pakistan, attended the function.

Officials said the roadwork, and mining-clearing necessary to complete it, marked the beginning of Thai efforts to speed the repatriation of 350,000 Cambodian refugees from Thailand.

"The assistance is bilateral cooperation between Thailand and Cambodia where Thailand offered to help repair the road at a cost of 144 million baht (US$5.5 million)," Mr. Asa told reporters.

A total of 447 soldiers of the special action battalion were yesterday afternoon to head for Aranyaprathet where they will be based for the mission to help Cambodia. The will take with them 30 trucks, 25 heavy graders and 27 explosives sniffing dogs.

The battalion headed by Lt Wirawat Raksasap comprises four companies and one platoon. Of the four companies, one is for command, one for mine clearance and two for construction work. The platoon is of army dogs and their handlers, commanded by Lt-Col Sunthon Phoratsathien.

Mr Asa said the special action unit is the result of Thai-Cambodian cooperation.

Another team, made up of about 700 soldiers, and to help UNAMIC [United Nations Advance Mission in Cambodia] in mine clearance and reconstruciton, will leave for Cambodia in the middle of the month, he said.

They will be based in Battambang.

Three Thai officers will form part of the five-member strong liaison team in Phnom Penh.

Colonel Tinggogoy Ferry, a senior U.N. liaison officer from Indonesia who attended the ceremony, told Reuters he expected large-scale mine-clearing to begin in early March.

"The army engineers sent to Cambodia today are not wearing the blue beret of the United Nations but another battalion of Thai army engineers for demining operations will move in later this month," the Indonesian officer said.

He said some logistic and technical problems were delaying the main operation.

"Firstly there is an accommodation problem. Where are those 700 people to live in Battambang" he said. "Cambodia is a very poor country, they do not have any facilities and accommodation.

"I think the demining operation can begin in early March."

Paper Views Vote-Buying, Election Fraud Figures

BK0302022392 Bangkok THE NATION in English 3 Feb 92 p A6

[Editorial: "An Opportunity To Prove Chon Buri Has No Chao Pho"]

[Text] The Law Society of Thailand has recruited about 800 volunteer lawyers to work in the Poll Watch '92 campaign to deter vote-buying and election fraud. These lawyers will receive complaints of irregularities and evaluate them to see which of them deserve further investigation. However, no lawyers in Chon Buri have volunteered for this thankless task, reportedly for fear of offending some influential figures in the eastern seaboard province.

Notwithstanding Chon Buri Governor Thawat Mokaraphong's assurance that there are no Chao Pho [godfathers] in the province, the fear of the godfathers is real and prevalent. Though the governor is new to the province, he has no doubt heard about some legendary figures with the reputation of being Chao Pho.

The official definition of a Chao Pho is an influential figure who makes massive money in underground operations, employs professional hit-men, and has close connections with senior local government officials and police officers. By refusing to associate with anyone with a notorious reputation, Governor Thawat can contend that Chon Buri has no Chao Pho. But how many Chon Buri people are going to believe him is another matter.

Apart from their tangible wealth, their "bodyguards" and their connections with the authorities, toplevel Chao Pho also have politicians, both at the provincial and national levels, under their control or sponsorship. The ability to help anyone get elected—by any means—to the House of Representatives is the most notable hallmark of Chao Pho during an election season.

One logical way to undercut the Chao Pho is to step up government efforts in policing the current campaign and assisting the watchdog groups as a deterrent to unlawful campaign activities. Provincial officials and police officers who turn a blind eye to the illegal activities must be reprimanded or removed from the scene as soon as possible. Each provincial governor is clearly empowered to take swift action to stop officials and police officers from siding with their patrons.

Without connivance on the part of officials and police officers, Chao Pho will have to try harder to convince, bribe and intimidate the voters into supporting their candidates. But these illegal activities outside the polling stations are easier to observe than cheating by polling officials inside their stations.

In the past an entire team of officials in a rural polling station could be bribed to stuff ballots for certain candidates and allow "ghost" voters to cast ballots without really checking their personal identification documents. The deployment of an estimated 15,000 poll watchers nationwide on the March 22 election day could make cheating inside the polling stations more difficult, though not entirely impossible.

However, we must be realistic and not expect too much from Poll Watch '92. Rather, this whole exercise to try to ensure a cleaner general election should be seen as the beginning of a tradition of direct political participation by people from all walks of life. A general election is too important to leave to the hands of the Interior Ministry, politicians, and Chao Pho and their canvassers.

Honest and principled politicians must also help blow the whistle on the illegal campaign activities that are sometimes taken for granted by Interior officials. Now the election law allows them to sue violators of the election law in the capacity of an interested party.

In Chon Buri, Uthai Phimchaichon, secretary-general of the Solidarity Party, is standing for re-election. Uthai and his team face a formidable challenge from Samakkhi Tham's team, which is backed by Somchai Khunplum, better known as "Kamnan Po". The Samakkhi Tham's team includes Nikom Saencharoen, a veteran politician who has served on ministerial posts, and kamnan Po's son Sonthaya. Moreover, Darong Singtothong, another veteran former MP [member of parliament], is leading a New Aspiration Party team to contest the poll, in Chon Buri.

The presence of these political heavy weights from three different parties makes the contest the toughest this province has seen in recent elections. It also defies the ability of Governor Thawat to keep the situation under control and ensure a smooth and non-bloody campaign season, especially now that Kamnan Po has put at stake his reputation of being the most credible power broker on the eastern seaboard at stake and will likely lost face if he cannot help all six Samakkhi Tham candidates win the election.

System of Procuring Military Hardware Viewed

BK3001100392 Bangkok LAK MUANG in Thai Jan 92 pp 5-15

[Article by Navy Lieutenant Pharuhat Chantharakun: "Thailand's Procurement of Hardware for National Defense"]

[Text] The current political situation in Southeast Asia is not so stable. Although there has been progress in the settlement of the Cambodian problem and intentions have been focused on Cambodia, the situation in Burma is stalemated as the Burmese military continues to control the political power. Therefore, Thailand, which is surrounded by political uncertainty in Burma, Laos, and Cambodia, will have to continue to modernize its Armed Forces and procure defense hardware.

This article emphasizes the development of the Thai Armed Forces and analyzes a change in the method of procuring military hardware.

Like other ASEAN countries, Thailand has changed from procuring military hardware from the United States to buying more freely from other sources—European countries and especially from the PRC. Thailand is facing a situation that forces it to use hardware from these sources which have brought many problems. The majority of these problems arise from the weapons supported by China which have considerably influenced Thailand's procurement decisions.

The procurement of defense hardware is dictated by the country's foreign policy. In the past, Thailand had to rely on the United States, which was the guarantor of its national security and this relationship resulted in the receipt of U.S. hardware support. In the early stage of Thai-U.S. relations, the United States supplied the hardware on a continual basis until 1970, when the Foreign Military Sales (FMS) and ordinary commercial purchases began. Considering the size of U.S. hardware in the Thai stockpile and close Thai-U.S. military relations, it is virtually impossible for Thailand to cancel the military support relationship with the United States.

A part of Thailand's foreign policy is to avoid committing itself to any single power source. This policy is reflected in the military hardware procurement policy. In early 1970, Thailand began implementing this policy by procuring Navy equipment from Europe. This policy has continued, and now all three Thai Armed Forces have European weapons in their inventories.

The desire to procure Chinese weapons is also a result of the Thai foreign policy. The Vietnamese invasion of Cambodia in 1978 brought Thai-Chinese relations closer because both countries were affected by the Vietnamese threat, the threat which turned China into a guarantor of Thailand's national independence. The Thai military cooperated with China to support the Cambodian resistance. In 1980, Sino-Thai relations grew into procurement of hardware at friendship prices.

For Thailand, having three hardware supply sources meets its goal of not depending on any particularly source. Although there is some problem concerning the ability to use the hardware alongside each other, the feeling of having diversified supply sources and being free of the fear of a boycott from any supplier is assuring. In the case of Chinese hardware, the friendship price offers enable Thailand to modernize its Armed Forces to cope more with the conventional situation than with a threat which cannot be controlled.

The article will now identify the Thai hardware procurement method, describing acquisition measures, experience gained from Chinese weapons, and the current procurement program.

Acquisition of Thai Defense Hardware

It is difficult to analyze the Thai procurement program. Beginning with the Armed Forces' "wish lists," some items on the list may be nonexistent.

The structure of the Armed Forces dictates the procurement policy. Because the Army is the most senior branch and holds the greatest political power, as the three branches submit their budget requests politicians will consider their feasibility and invariably grant the bigger allocations to the Army. This makes the other two branches' wish lists remain a dream.

As an example, the Navy has realized for years that submarines are essential for its modernization plan. The urgency of the plan changed as members of the Navy upper echelon changed. As a result, the submarine acquisition plan was shelved because the new commander has his attention on other projects or becomes concerned about the large amount of funds required to acquire a submarine.

It is obvious that in this environment it is difficult to formulate a long-term procurement program. In a period of a couple of years, procurement projects can change rapidly. It is even more difficult for the people who make sale proposals to the armed forces, but this is not always true with projects which already received unanimous approval because it will be possible to proceed with such projects.

Experience Pertaining to Chinese Weapons

As Sino-Thai relations became closer, the Thai Armed Forces, particularly the Army, discovered an interesting quality of Chinese weapons—their "friendship prices." The Army's decision to procure hardware from and maintain such close relations with China persuaded the Navy and the Air Force to consider China as a source for their weapons as well.

The weapons China offered to the Army at friendship prices gave the Army the opportunity to beef up its armored vehicles, field artillery pieces, and antiaircraft artillery guns. In particular, the armored vehicle offers could not be ignored in face of the Vietnamese threat and the Army's desire to enhance the conventional warfare capabilities of its four infantry divisions. Likewise, the artillery units also wanted to balance the threat of the Vietnamese 130-mm M-46 guns and to have more of the automatic antiaircraft system (AAA system) to conform with their development plan.

When the procurement-from-China process began in 1986, the Army submitted a requirement for a number of Type 69 tanks and vehicles for retrieval and laying of bridges, about 100-110 altogether, with delivery time in 1989. This enabled the Army to acquire enough tanks for its newly established division.

The next step was the procurement of armored personnel carriers (APC). Initially, the Army was interested the Type 85 and WZ 501 (a copy of the BMP-1) MICV before deciding on the Type 85 on the strength of its price and delivery time. The Army also had concerns about the WZ 501's capability in Thai terrain and weather conditions.

At first the Army signed a contract for the procurement of 100 Type 85 APC's and a number of command vehicles. All were delivered in 1988 and were assigned to the 2d Infantry Division in Prachinburi Province. Three hundred more APC's were acquired to raise the mobility of the 3d, 9th, and 6th Divisions. The Army also received 18 Type 59-1, 130-mm artillery pieces, which saw battle along the border in 1988. The Army antiaircraft system also received 30 of the P 793 double barrel 37-mm guns which were put into commission in early 1988. Another 30 antiaircraft guns had already been delivered. The contract included the support of ammunition, preliminary fire control system, and some spare parts.

The concern from the beginning seemed to be that the delivered Chinese weapons were not the types wanted and their quality was poorer than expected. The Army will have to face this problem for some time. Regarding the tanks, the Army hoped to receive Type 69 tanks installed with Western 105-mm artillery guns, but instead it received Type 69 II with Soviet 100-mm guns. As a result, the Army's hope to be able to use the same shells with its M48A5 tanks went unfulfilled, not taking into account the additional logistics problem.

The other points of concern were the tracks, fire control system, and shortage of repair kits. The shortage of spare tracks and the track service life resulted in a majority of the tanks not being used. The accuracy of the fire control mechanism was rather poor, and the shortage of repair kits was another reason that the tanks were not put into use. The same problems also extended to the Type 84 bridge building tanks and the Type 653 service and salvage tanks. The Army will have to solve these problems as soon as possible. Regarding the artillery pieces, it was expected that China would supply a number of 105-mm tank guns, for which the modification kits had already been delivered. The track problem will have to be resolved by procurement from other sources. The compatible Diehl T track sets were too expensive. Several repair part items were ordered from China.

Because the Type 85 APC's did not prove to be completely satisfactory, as mentioned earlier, the Army ordered more of the Type 85 APC's and command vehicles. The delivered products were somewhat different from the ordered version. In addition to receiving the two products, the Type 85 APC's were unexpectedly armed with 130-mm multiple barrel rockets. The Type 85 proved to be very reliable in use, the problem was that the technical manuals were in Chinese. The Army planned to translate these manuals into Thai, but it was very time consuming.

The problem associated with these tanks and APC's was the communication system. The installed Type 889 radio sets were not compatible with the existing system. A solution to this obvious disadvantage was being sought. The Army also wanted to replace the 12.7-mm machine guns on these vehicles with Western made artillery pieces.

The Type 59-1 130-mm artillery pieces did not have as many problems as the tanks—their problem concerned the service life of the barrel and certain drawbacks, which were also present in Western-made artillery guns. The antiaircraft system also proved to be of inferior technology, thus less efficient.

In short, the Army procurement of weapons from China did not yield the expected results. While the acquisition helped increase mobility, it is necessary to consider maintenance to keep the vehicles running free of the problems mentioned. In a final analysis, the "friendship prices" were attractive but the hard currency spent to resolve the problems which arose was not at all desirable.

As mentioned earlier, the Army had a part in persuading the Navy and the Air Force to consider the Chinese military hardware. The Air Force considered the F-7M attack aircraft and ordered 12 to 18 of them at less than $3 million each. However, it felt that the aircraft did not suit its tasks because they could not use the aircraft parts now in its inventory. Although this decision was reached before Air Chief Marshal Kaset Rotchananin became Air Force commander, Kaset also supported the decision.

At present the Air Force feels that its hardware requirements could be procured from the existing sources and that there is no need to change this policy. Although the Air Force is not interested in Chinese weapons, the Navy is, as evidenced by its desire for four frigates of the Jianghu IV class and two of the Jianghu V class.

All these ships would be built at the Shanghai Hutong shipyard. The Jianghu IV ships would be delivered to the Navy during April 1991 and late 1992. They were estimated to cost $40-60 million each. The ship engines would be supplied from another source (MTU engines).

The Jianghu IV class ships would be mounted with standard Chinese weapons and detection system. The weapons would consist of two twin 100-mm turrets, two L/63 twin-barrel 37-mm antiaircraft guns, eight C 801 surface-to-surface missiles, two RBU-1200-5 ASW rocket launchers, two BMB-2 tubes for launching depth charges, 60 mines, and possibly two Whitehead ILAS-3 torpedos. Rather than the MTU diesel engines, the ships were expected to be driven by SEMT- Pielstick diesel engines which are manufactured under Chinese license and used in Chinese ships of the same class. The ships were also expected to be fitted with storage space and helicopter pads, which would necessitate disassembly of 100-mm turrets, antiaircraft guns, and four tubes of stern-mounted C 801 SSM rockets. The Jianghu IV ships without the helicopter pads will be used in patrol and training missions.

Unfortunately, the Navy was not pleased when it inspected a ship under construction at Hutong. Concern was expressed over the assembly and rebuilt workmanship at several points to make them meet acceptable standards. More importantly, there was limited capability to limit battle damage, there were no facilities to contain damage, and the standard of the firefighting system was low. There was a good chance of losing the ship if its bottom cracked.

At this point it was clear that the Navy was not happy with the Jianghu IV ships; it had no choice but to accept delivery. A Thai source disclosed that the Navy may cancel the procurement of the remaining two Jianghu IV ships and spend the allocated funds to modernize the other two ships of the same class which were already subject to fines.

The Navy hoped to install U.S. equipment, to be obtained through the FMS system this year, on the two Jianghu V frigates to be delivered in 1991. This indicates that the installation will be carried out in Thailand. The weapons and detection systems expected to be installed are: one 127-mm MK45 artillery piece, four tubes of RGM-84A Harpoon Block 1 C ASM missiles, one set of Sea Sparrow and Mk 91 control system, two sets of Mk 32 Mod5 ASW triple-tube torpedo launchers, SPS-49 radar, SPS-64(V)5 radar guidance, SPS-64(W) helicopter-landing assistance system, AN/SQS-56 Sonar of the AN/SLQ- 32(V)2ESM system, and Super RBOC chaff/decoy launcher.

The Jianghu V ships were designed to operate with helicopters. The Navy was expected to choose the Kaman SH-2 Seasprite helicopters and buy six. Two of these would be aboard the Jianghu IV ships. To date no weapon or detection system has been picked for the SH-2 helicopters.

It is to be noted that the Navy has as many problems with the Jianghu V ships as it had with the Jianghu IV class ships. These problems will be known in detail after delivery of the ships. This dissatisfaction has caused the Navy to cancel the project to procure two Romeo class submarines. Another project which was cancelled was the procurement of Chinese A-5M attack aircraft which would be installed with an Italian flight control system. Possible reasons for this decision were use of government-financed loans, loss of motivation for the projects, and strong opposition from the Air Force.

In short, Thailand's experience with Chinese weapons was certainly rather cool. But delivery of Chinese weapons continued. Despite some obstacles, China continued to be popular with Thailand, particularly in the Ban Romklao incident in early 1988 when China provided extensive ammunition support for Thailand. Subsequently, there were consultations about establishing a large depot to stockpile Chinese repair kits in Thailand. If this depot materializes, the problems relating to military hardware would be solved to a certain degree.

For Thailand, it is important that the problems concerning Chinese weapons be resolved rapidly, indicating that projects to enhance vehicular and weapon and communication systems efficiency are needed. These projects are very essential to the Army. For the Navy, improvement in shipbuilding, weapon systems, and detection systems is unavoidable. Two British shipbuilding firms have inquired about improvement projects. It is certain that improvements are needed if the Jianghu IV ships are to achieve acceptable standards.

Thailand's experience with Chinese weapons has strongly influenced its defense hardware procurement decisions. Thailand has switched to consideration of the United States and West European countries as its main weapon sources. There is also increased effort to achieve local weapon-manufacturing capabilities, and some financial investment has begun in this area.

The negotiations in Europe over conventional forces lead many people to feel that disarmament in Europe and the cut in U.S. support could result in many weapons being offered for sale in the arms market at low prices. Thailand has been following this development closely and is expected to be able to procure the desired amount of weapons at reasonable prices.

Although modern weapons are easily obtainable from surplus hardware of the European forces, Thailand realizes that they could not completely satisfy its needs, and modern weapons will have to come from other sources as well. The efforts to modernize the systems in the three Thai armed forces will continue simultaneously with new procurements. In fact, the Thai procurement program will continue as long as the situation in the region remains unstable.

The Army procurement program is continual, with the United States being the major supplier. The most interesting development is the U.S. offer to sell 180 M60A1 and M300 M48A5 tanks at about $200,000 each. These tanks would augment the 105 M48A5 tanks Thailand already has, thus providing a sufficient number for two large armored divisions. But the drawbacks of the M48A5 tanks on Thai terrain will make the Army take a thorough look at how and where to deploy them.

Due to experience in a recent battle, the Army decided to procure three Chinook helicopters to enhance the capability to quickly transport the M198 155-mm artillery pieces and other heavy equipment. A purchase contract will be signed early this year. The two Army CH-27 helicopters now cannot fly and have essentially become scrap metal.

The next project is to procure 10 UH-1H helicopters from the U.S. stockpile to replace the outdated UH-1B/D.

The experience from the battle at Ban Romklao in early 1988 caused the Army to avoid a shortage of 155-mm artillery shells. Although there is a U.S. war stockpile in Thailand, the Army wants to have local production capability. A solution was found in the Belgian company PRB's offer to provide 22,000 155-mm shells and equipment necessary for assembling propelling materials and production of base bleed [two preceding words in English] shells for Thailand to conduct trial production. The agreement was signed in September 1989. The Army built an infrastructure to support the production. Production was scheduled to begin early this year. Unfortunately, the Belgian company went bankrupt and its equipment did not arrive. The beautiful building that was supposed to house the production factory thus remains deserted today.

The Army interest in short-range rocket development also shifted to the Brazilian Astro system which is a long-range multiple-launch rocket system.

The Air Force is conducting its own procurement program by emphasizing its combat, transport, and training capabilities. It is trying to find new aircraft to replace its old ones and those which are no longer operational.

The Air Force also seeks surplus U.S. equipment to strengthen its inventory, focusing on the Northrop F-5 E/F, of which it will buy another 16. This will give it 59 F-5 E/F's and enable it to establish another squadron or to augment the existing squadrons.

The F5 E/F's require continual improvement by the company Smith Industries, which at first is scheduled to upgrade 36 of the aircraft. The Air Force has since decided to upgrade more, in addition to the newly purchased ones. At first there was an interest in upgrading the radar and the emergency systems. In any event, the F-5 E/F's will continue to be the Air Force's mainstay until the next century.

The procurement of additional F5 E/F's and the six F-16 A/B to be delivered comprise three very strong attack squadrons. But this does not include ground-attack capabilities. The three types of aircraft used for this task are facing many problems. The 14 F-5 A/B's of Squadron 231 have been in service for some time and need to be modernized or replaced. In principle, the Air Force wants to acquire more F-5 A/B's to augment the squadron, but this seems to be impossible. Another choice is to use the F-5 E/F's for this task, but this would be wasteful. The Air Force uses the A-37 Dragonfly and OV-10 Bronco aircraft for ground-attack operations. The latter was designed for counterterrorist missions and was not suitable for conventional warfare due to its vulnerability to antiaircraft fire.

The Air Force will continue to have a problem as long as its ground-attack capability remains a cause for concern. Out of this concern, it has a project to acquire 40 new ground-attack aircraft for two new squadrons. Two types of aircraft are under consideration: the AMX of the company Aeritalia/Aermacchi/Embraer and the BAE Hawk 200. Although a decision has been made on one of the two types, a final decision will be made in 1991. The Air Force is evaluating both types for their ground-attack, sea-attack, patrol, and air-defense capabilities.

Another of the Air Force's concerns is the status of its training aircraft, which are the CT-4, SF-620, Fantrainer, T-37, and T-33. The T-33's will definitely have to be replaced, while the T-37's cannot carry out their missions without new alterations. The question now is how to replace these aircraft. The aircraft which are the focus of interest are the Aermacchi MB339 and the BAE Hawk. The Hawk appears to have greater ground-attack capabilities. The training aircraft that the Air Force is interested in acquiring is the Pilatus PC-7; at least 25 of them are being sought. The major competitor of the PC-7 is the Short Tucano. Thailand offerred a number of the Fantrainers to Sri Lanka. Thailand also uses this type of aircraft for early warning and inspection purposes in place of the decommissioned Cessna O-1. There is, however, uncertainty over whether the aircraft should be assigned one or both missions.

The next project is improvement of transport aircraft to replace the remaining Fairchild C-123 Provider and the C-47 aircraft. For light transport, 16 Shorts Sherpas are the favorite, but the IPTN CN-235 is a close rival. Next is a purchase of two C-130 Hercules to strengthen the Air Force's heavy transport capabilities.

The other projects concern acquisition of new weapons, such as a plan to buy Rafael Python 3 AAM antiaircraft missiles for installation in F-16's and F-5E's. The decision to buy these missiles is justified on the grounds that the United States has refused to give information about the various models of the AIM-9 Sidewinder missiles. There is also a desire to procure the Maverick air-to-ground missiles and the Harpoon missiles. The Harpoon missile influences the procurement decision because it will be used in sea attack missions by new aircraft. The Air Force is also interested in the Durandal missile and the Hunting BL755 cluster bombs.

Finally, the Air Force wants to build a number of new air bases and improve the infrastructure in two bases. This desire is just as strong as the desire to strengthen the air defense capabilities by acquiring weapons and modern missiles. These projects are important if the potential of threat increases.

The year 1991 is important to the Navy because it will take delivery of the first frigate of the Jianghu IV class. It will also begin to build two antisubmarine Corvette ships locally. These ships will be built by the company Italthai Marine under license by Vosper Thornycroft. The third one will be built in the Phra Chunlachomklao Dock. The weapon and detections system will be procured from England, Germany, and Italy.

Another possibility is modernizing the ship Makutratchakuman by installing the Sea Sparrow system and the Mk91 control system in place of the stern (?4.4) inch gun. Other systems have not [words illegible], such as the 40-mm L/60 Bofors guns which will be improved by adding the ADI rotation system. The troublsome sonar system in the two minesweepers Bang Rachan and Nong Sarai will have to be corrected as well. The Krupp Atlas sonar system seems to be the best choice. Old ships will be decommissioned to reduce the maintenance burden and enable the crew to be trained for new ships. As mentioned earlier, the helicopter Kaman SH-2 Spitfire will be chosen for antisubmarine missions. It will be armed with the torpedo Marconi Stingray. Another major project is the decision to strengthen the capabilities of the Navy and the Marines. The amphibious carrier LVTP-7 will be modernized, and the Marines reportedly have a plan to set up an armored battalion comprising about 30 tanks. The Marines also are interested in procuring the 155-mm GC-45/GHN-45 artillery pieces to add to the 31 they already have, as well as in the 105mm artillery.

All of this indicates that the Navy is determined to strengthen the Marines. As for aircraft carriers and helicopters, the former Assistant Navy Chief of Staff, Vice Admiral Prida Kalasut, had a strong interest in the potential of helicopter carriers which could also carry the Harrier aircraft. The Companies Bremer Vulkan of Germany and Fincantieri of Italy had shown interest in the Navy's helicopter carriers.

This Navy project drew considerable scepticism. But in strengthening the Marines, if we procure LPD ships instead of helicopter carriers the project appears reasonably possible. It appears that the Navy is following in the footsteps of the Italian Navy by procuring the LPD San Giogio ship.

Regarding whether or not the Navy will procure the ship San Giorgio, it should be possible to strengthen its capabilities. It should be possible to buy two such LPD ships, but it will be a major issue to find funds for them. In any event, an LPD ship should be procured. Whether or not this is possible depends on politics within the Navy and the government's view of the project.

To sum up, this century is a period for modernization and enhancing capabilities. The 10-percent annual economic growth makes investment in national defense very possible. In any event, the armed forces will have to consider the country's needs to develop the economy and improve the people's life as well. A success in the war against insurgency does not mean that poverty will go away.

Vietnam

Special Envoy Visits Russian Federation

BK3001153792 Hanoi VNA in English 1432 GMT 30 Jan 92

[Text] Hanoi, VNA Jan. 30—Deputy Foreign Minister Nguyen Dy Nien, special envoy of the chairman of the Vietnamese Council of Ministers, visited the Russian Federation on Jan. 28-29.

He was accompanied by Ho Huan Nghiem, deputy head of the State Planning Committee, and Le Kim Lang, deputy minister of commerce and tourism.

Nguyen Dy Nien and his party were received by Deputy Prime Minister of the Russian Federation A. Sokhin. The two sides expressed their desire to maintain and develop the relations of friendship and cooperation, especially in the economic and commercial fields, in the interests of the two counrtries in the new situation.

Nguyen Dy Nien had working sessions with senior officials of the Ministries of Foreign Affairs, External Economic Relations, Labour and Finance of Russia.

The Russian side reaffirmed their responsibility of continuing to protect the interests of Vietnamese workers at Russian factories. The two sides decided to accelerate preparations for signing a trade and economic protocol for 1992.

On behalf of the Vietnamese Government, Nguyen Dy Nien invited a delegation of the Russian Government to visit Vietnam.

Vo Van Kiet Visits Thuan Hai, Phu Yen

BK0502053492 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 2 Feb 92

[Text] Following his working visits to the central provinces of Quang Nam-Danang, Quang Ngai, and Binh Dinh, Chairman of the Council of Ministers Vo Van Kiet paid another working visit to Phu Yen and Thuan Hai Provinces.

Expressing his views on the specific 1992 guidelines for Thuan Hai Province, the chairman stressed: Along with the task of satisfactorily dividing the province, action must be taken to step-by-step improve the agro-forestry-fishery structure in close connection with the processing industry in each province, using suitable crops and animals in order to turn out ever more products and goods, especially exports.

Efforts should be concentrated on building a settlement area for the ethnic Chu people commensurate with the concern of our party and state. This year, with state support, the construction of some cultural, educational, and water conservancy projects must be completed immediately in the area.

Concerning the division of the province, the chairman urged the local authorities to carefully preserve solidarity, maintain production, and cooperate with one another to build the two new provinces and oppose the wasting of state assets.

Party, State Leaders Conduct New Year Activities

State Council Chairman's Greetings

BK0402101192 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 3 Feb 92

[Lunar New Year's greetings from State Council Chairman Vo Chi Cong—recorded]

[Text] Dear compatriots and combatants: On the occasion of the New Year, I cordially give my best and warmest regards and wishes to all compatriots, workers, peasants, intellectuals, cadres, and combatants of the people's armed forces, wounded and sick soldiers, old cadres, fallen heroes' survivors, meritorious revolutionary families, the elderly, youths, teenagers and children; ethnic people of all nationalities and religions; and overseas compatriots.

Last year, in a setting of complex changes in the world and full of challenges to our country, you, compatriots and combatants countrywide, have overcome an acutely difficult step to firmly maintain political stability and have secured a development step for our economy, thus contributing to the cause of peace, friendship, and cooperation in the region and the world over.

The very important achievements in our comprehensive renovation process have demonstrated that our people are able to promptly extricate their country out of the socioeconomic crisis, to strengthen the country step by step, and to steadily advance on the path of socialist construction set by the party and beloved Uncle Ho.

On behalf of the party and the state I warmly praised compatriots and combatants for your warm patriotism, self-reliance. and diligent and creative labor. You have had many outstanding achievements in national construction and defense. I welcome overseas Vietnamese and I take this opportunity to sincerely thank all friendly countries, and international organizations and individuals for their wholehearted assistance and support to the Vietnamese people. I send my warm wishes to our international friends who are welcoming the New Year on our Vietnamese territory.

Dear compatriots and combatants, entering the New Year, we have both new favorable conditions and new difficulties at the same time. To create new changes in the country, all our people and troops must bring into full play their traditional patriotism, self-reliance, and creativity to overcome all difficulties and ordeals; continue to accelerate the renovation process, intensify and expand our relations with all countries, turn the resolutions of the seventh party congress into real life; and successfully implement the 1992 tasks of socioeconomic stabilization and development set forth by the Eighth National Assembly's tenth session.

In the New Year, all citizens must contribute to the revision of the Constitution and actively help firmly assure order and discipline, build a healthy society; and consolidate and strengthen our state. In the New Year, compatriots and combatants countrywide strengthen solidarity and bring into full play all your physical and intellectual abilities to accelerate production, practice thrift, help enrich the people and strengthen the country!

New year! New effort! New victory!

Do Muoi Tours Press Fair

BK0402132192 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 2 Feb 92

[Text] On 1 February, Comrade Do Muoi, general secretary of the Communist Party of Vietnam [CPV] Central Committee, toured an exhibition of press publications on the occasion of the Nham Than [Year of the Monkey] New Year at the Cung Van Cultural Center of the Vietnam Journalists Association at No. 12 on Ly Dao Thanh Street in Hanoi.

According to Comrade Phan Quang, secretary general of the Vietnam Journalists Association executive committee, since its opening four days ago, the exhibition has attracted thousands of readers, local and foreign journalists, and press attaches of the various embassies in Hanoi.

From now until the closing day of the exhibition, which falls on 20 February, the Vietnam Journalists Association will hold a seminar to assess the quality of press publications on the occasion of the Nham Than New Year to draw experiences for the 1993 New Year press fair.

Comrade Do Muoi was satisfied with the contents of the press publications on display because they comply with the set propaganda orientations and are rich and beautiful both in forms and contents, thus meeting the people's cultural needs on the occasion of the Nham Than New Year.

Do Muoi Visits Army Media Offices

BK0502040992 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 30 Jan 92

[Station correspondent Dang Van Nhung's report on Party General Secretary Do Muoi's Tet visit to Army media offices—portions recorded]

[Text] While people in Hanoi are seeing out the Year of the Goat and ushering in the Year of the Monkey, Comrade Do Muoi, general secretary of the party Central Committee, and Comrade Pham The Duyet, Politburo member and Hanoi party committee secretary, paid a Lunar New Year visit to the Army media.

At the office of the QUAN DOI NHAN DAN editorial staff, amid the elation at welcoming the top party leader, Senior General Dang Vu Hiep, deputy chief of the General Political Department, happily introduced the Army's press and publication workers to the general secretary.

[Begin Dang Vu Hiep recording] Party Central Committee General Secretary Do Muoi and Politburo member Pham The Duyet today come to visit our Army's press and publication workers. [applause] I would like to report to the party Central Committee general secretary and the city party committee secretary that present today are comrades in charge of the Army media such as TAP CHI QUOC PHONG TOAN DAN, TAP CHI VAN NGHE QUAN DOI, Army radio and television, the Army Publishing House and some others. [end recording]

With openness and sincerity, General Secretary Do Muoi attentively inquired about the health of the Army's media workers.

[Begin Do Muoi recording] This is my first meeting with you this year. I wish all editors in chief, reporters and all media workers in the Army good health and expect that in the new year you will continue to participate in the renovation process and successfully implement the seventh party congress resolution on renovation. [applause] You have made great contributions to the cause of peace and stability in the country, the region, and the world over. You have created a favorable environment for us to concentrate on rebuilding our country after decades of destructive war. This has been an aspiration of our party, people, and troops. This is also an aspiration of the regional and world peoples. I expect that all editors in chief, reporters, and publishers will firmly grasp all the resolutions and satisfactorily fulfill the task of motivating all the people to advance and will carry out to the fullest the duties assigned you by the party. It is my hope that in the new year you will write many articles which encourage and motivate cadres and combatants in the Army as well as the people to still better implement the political tasks asigned by the party and the state. [applause] [end recording]

After presenting his New Year wishes, the general secretary cordially talked with the Army press and publication workers. He pointed out the significance of our people's successes in 1991 and analyzed profoundly the difficulties in 1992 and the acute difficulties of the market mechanism. Yet, he specified the bright prospect of our economy in the coming years. Once again, he reiterated that the current strategic task of our country remained the building of socialism and the defense of the socialist homeland. As a result, we should be vigilant against all enemy plots in order to firmly defend our homeland.

To express gratitude to the general secretary and to most satisfactorily implement his instructions to the Army press and publication workers, Comrade Phan Khac Hai, QUAN DOI NHAN DAN editor in chief, on behalf of the Army press and publication workers made a pledge to the general secretary.

[Begin Phan Khac Hai recording] On behalf of the Army press and publication workers, we pledge to do our utmost to be worthy of the confidence of you and the party in the Armed Forces, the press and publication workers, and the cultural, literary, and artistic workers in the Army. On the occasion of the New Year, we wish you good health and happiness so that together with all the members of the party Central Committee and its Political Bureau, you can lead all our party members, people and troops to victoriously implement the seventh party congress resolution. We respectuflly wish good health and happiness to Comrade Pham The Duyet and all comrades in the General Political Department. May all of us victoriously implement General Secretary Do Muoi's instructions. Thank you all. [applause] [end recording]

Concluding his New Year's visit, the general secretary had his picture taken and cordially talked with all the media workers present.

National Assembly, State Council Meet

BK0402130192 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 31 Jan 92

[Text] On the morning of 31 January 1992, the National Assembly and the Council of State held a New Year get-together at the Presidential Palace to extend Tet greetings to representatives of agencies at the central level and in Hanoi.

On behalf of the National Assembly and the Council of State, Chairman Le Quang Dao sincerely thanked the comrade leaders of the various departments, sectors, and mass organizations at the central level and in Hanoi as well as compatriots, cadres, and combatants nationwide for their close cooperation with and wholehearted assistance to the National Assembly and the Council of State in the past year, and also for their good implementation of all tasks set forth by the National Assembly and the Council of State, thus concretely contributing to enhancing the work efficiency of the National Assembly and the Council of State in the new situation.

Chairman Le Quang Dao expressed his hope that in the new year, all agencies, departments, sectors, mass organizations, members of the Armed Forces, and compatriots nationwide will step up their cooperation with and assistance to the National Assembly and the Council of State, and that compatriots, cadres, and combatants will continue to satisfactorily carry out the task of building and defending the fatherland according to the renovative lines set forth by the seventh party congress, contribute suggestions to the constitutional draft amendments, and make very adequate preparations for the new National Assembly elections.

Le Kha Phieu Tours Dong Anh, Gia Lam

BK0502065292 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 3 Feb 92

[Text] On the occasion of the New Year, Lieutenant General Le Kha Phieu—member of the party Central Committee and the Military Commission of the party Central Committee, and chief of the General Political Department—visited and offered gifts to some families of war invalids in Dong Anh and Gia Lam Districts of Hanoi. While there he listened to a report on the Army's rear service task.

He paid particular attention to the livelihood of dependents of needy and lonely war invalids without support and those fallen heroes' surviving families. He suggested that local authorities should take concrete measures to help these people gradually stabilize their material and spiritual lives.

He called on senior citizens Nguyen Thi Tuu, Nguyen Van Cao and Nguyen Van Muon of Dong Anh district, and Tran Thi Phu, Le Van Thong, and Khuc Van Kinh of Gia Lam District and presented them with Lunar New Year gifts. All these senior citizens are survivors of fallen heroes. Lt. Gen. Le Kha Phieu wished all the families a happy and productive new year and many more successes.

On this occasion he thanked the administrations and mass organizations of Dong Anh and Gia Lam Districts for having taken constant interest in the Army rear service task by doing many significant things and motivating cadres and combatants of all Armed Forces to firmly defend the homeland.

Leaders Tour Provinces

BK0402120992

[Editorial Report] Hanoi Voice of Vietnam Network in Vietnamese at 1430 and 2300 GMT on 30 January and at 2300 GMT on 31 January carries reports on top Vietnamese party and state leaders paying Tet visits to cadres, combatants, and people in Quang Nam-Danang, Quang Ngai, Binh Dinh, and Lang Son Provinces, and Hanoi Municipality.

At 1430 GMT on 30 January, Hanoi Voice of Vietnam Network in Vietnamese carries a five-minute report on Council of Ministers Chairman Vo Van Kiet paying Tet visits to Quang Nam-Danang, Quang Ngai, and Binh Dinh Provinces on 28-30 January. The radio reports that accompanying the Council of Ministers chairman were heads and deputy heads of commissions, ministers and deputy ministers, directors of departments, and high-ranking officials of the Council of Ministers Office. The radio says: "At Quang Nam-Danang, Chairmam Vo Van Kiet visited Tam Quang village of Nui Thanh district, which was hit by the tornado on 28 December last year. After listening to comrade Nguyen Kim Phuong, chairman of the village people's committee, report on consequences of the tornado, Chairman Vo Van Kiet contributed his ideas to the local authorities which are aimed at overcoming the tornado consequences, improving the material and spiritual life of the local people, and at restoring production in the village. The chairman also presented the government's gift to Nui Thanh District which include 20 boxes of medicine, one set of medical equipment for the district medical center, and medicine and medical equipment for the village public health service."

The radio further says:"While in Quang Ngai Province, the chairman immediately visited Binh Son District—which was hard hit by the tornado on 28 December—to inquire about the people's difficulties after the district was hit by the tornado to find measures to help them. Comrade Tran Ngoc Sinh, chairman of the district people's committee, reported to Chairman Vo Van Kiet that the tornado began at 0830 on 28 December and swept through 10 coastal villages, killing 72 people and wounding 47 others. Forty persons were missing, 51 motorboats were sunk, 260 boats were destroyed, and more than 13,000 tonnes of fishnets were damaged. Chairman Vo Van Kiet also presented the government's gift to the district which include medicine and medical equipment."

The radio then reports on the chairman's visit to Binh Dinh Province. In his working session with leaders of the province, Chairman Vo Van Kiet "commended the provincial party organization and people for their socio-economic achievements during the past period despite the fact that it has just been recently separated from Nghia Binh Province"

Hanoi Voice of Vietnam Network in Vietnamese at 2300 GMT on 30 January carries a two-minute report on comrade Le Quang Dao, chairman of the National Assembly and vice chairman of the Council of State paying Tet visit to Lang Son province on 27-29 January. The radio says that: "Chairman Le Quang Dao visited the offices of the people's armed forces, the public security force, and the Fatherland Front Committee of the province; Dong Dang town, the border defense post at Friendship Gate, Hop Thanh village, the Cai Loc district people's committee, the province's forestry processing enterprise, and many other production establishments." The chairman conveyed the National Assembly's best wishes on the New Year to cadres, combatants, workers, and the people at all the places he visited.

Hanoi Voice of Vietnam Network in Vietnamese at 2300 GMT on 31 January carries an one-minute report on party General Secretary Do Muoi's recent Tet visit to veteran cadres and families of veteran revolutionaries at Dong Da ward in Hanoi. He also visited offices of NHAN DAN and QUAN DOI NHAN DAN newspapers in the capital city. The radio says that: "The party General Secretary paid Tet visits to comrade Pham Van Dong, adviser to the Communist Party of Vietnam [CPV] Central Committee; and veteran revolutionaries Hoang Quoc Viet, Nghiem Xuan Yem, and Nguyen Xien who have greatly contributed to the national liberation cause. On behalf of the party Central Committee and the state, comrade Do Muoi wished these veteran revolutionaries good health in the New Year to make new contributions to implementing the renovation undertaking of the nation."

More on Leader Visits

BK0402153192

[Editorial Report] Hanoi Vietnam Television Network in Vietnamese at 1200 GMT on 30 January through 2 February carries reports on top Vietnamese party and state leaders paying Tet visits to Army units, cadres, workers, and people in various localities, as well as to the body of President Ho Chi Minh at his mausoleum in Hanoi.

At 1200 GMT on 30 January, Hanoi Vietnamese Television Network in Vietnamese carries a three-minute report on a recent visit to military units of the 3d Military Region on the occasion of Tet by Senior Lieutenant General Dao Dinh Luyen, chief of General Staff of the Vietnam People's Army [VPA]. The announcer says that "Gen. Dao Dinh Luyen and the deputy political commissar of the 3d Military Region paid a Tet visit to the party and people's committees of Quang Ninh Province and its military command. During the past years, the province has actively and satisfactorily carried out the national defense and Army rear service tasks. In his meeting with Comrade Binh Giang, member of the Communist Party of Vietnam [CPV] Central Committee and secretary of the provincial party committee; members of the provincial party organization; and other leading cadres of the province, Gen. Dao Dinh Luyen, on behalf of the Military Commission of the party Central Committee and the Ministry of National Defense, thanked the provincial party organization, administration, mass organizations, and the local people for their great contributions to the national defense task during the past period." Gen. Dao Dinh Luyen also visited the military hospital in Quang Ninh Province where he commended physicians, cadres, and workers at the hospial for their efforts in fulfilling their assigned tasks, especially in the family planning program and other social activities.

Hanoi Vietnam Television Network in Vietnamese at 1200 GMT on 31 January carries a three-minute report on a get-together organized on 30 January in Hanoi by the Vietnamese Nationals Department of the party Central Committee to welcome the Vietnamese overseas delegation currently visiting the homeland on the occasion of Tet. The announcer says: "Attending the function were Comrade Vu Oanh, member of the CPV Central Committee Political Bureau and chairman of the party Central Committee Mass Mobilization Department; Le Quang Dao, chairman of the National Assembly; Nguyen Huu Tho, president of the Vietnam Fatherland Front Central Committee; Nguyen Khanh, vice chairman of the Council of Ministers; Hong Ha, secretary of the party Central Committee and head of the party Central Committee Foreign Relations Department; Truong My Hoa, secretary of the party Central Committee and chairman of the Vietnam Women's Union; and other party leaders and cadres of branches and mass organizations at the central level and in Hanoi. Also attending the meeting were almost 100 overseas Vietnamese representing Vietnamese residents in 17 countries around the world. The presence of a large group of overseas Vietnamese shows their profound sentiment toward the fatherland." During the past year, more than 70,000 overseas Vietnamese visited the homeland. They donated 14 billion dong to help victims of natural calamities in localities and gave their relatives in Vietnam $300 million. The announcer further says: "Comrade Nguyen Khanh, vice chairman of the Council of Ministers, on behalf of the Vietnamese party and government, highly commended and thanked the overseas Vietnamese for their valuable contributions to the fatherland. He expressed the hope that the Vietnamese people overseas will continue to support the homeland and that next year more Vietnamese who live overseas will visit the fatherland."

Hanoi Vietnam Television Network in Vietnamese at 1200 GMT on 1 February carries a two-minute report on a Tet visit to the VISSAN [expansion unknown] Food Company in Hanoi by Comrade Pham The Duyet, member of the CPV Central Committee Political Bureau and secretary of the Hanoi municipal party committee. The company's board of director briefed Comrade Pham The Duyet on achievements scored by the company during 1991. Last year, its gross production output increased by 30 percent as compared to 1990. Workers of the company now earn 80,000-220,000 dong each per month. The announcer says: "Comrade Pham The Duyet commended the company for its achievements and inquired about the production situation and the daily life of the company's workers. He urged the company to strive to develop its production and create new jobs for more workers. Comrade Nguyen Thi Anh Minh, director of the company, pledged with Comrade Nguyen The Duyet that she and the board of director will do their best to carry out his advice and to triumphantly fulfill the targets set for the first quarter of 1992."

Hanoi Vietnamese Television Network in Vietnamese at 1200 GMT on 2 February carries an one-minute report on a delegation of top leaders paying a visit to President Ho Chi Minh at his mausoleum in Hanoi on the occasion of Tet. The announcer says: "On the occasion of Tet Nham Than [Year of the Monkey], a delegation of the party Central Committee, the National Assembly, the Council of State and the Council of Ministers, the Vietnam Fatherland Front Central Committee, and the Hanoi municipal party and people's committees led by Comrades Do Muoi, Pham Van Dong, Le Duc Anh, Dao Duy Tung, Le Quang Dao, Nguyen Khanh, Pham The Duyet, and other party and state leaders, paid a visit and laid wreaths at the Ho Chi Minh Mausoleum. On the same occasion, delegations from ministries, branches, sectors, and mass organizations also paid a visit to President Ho Chi Minh at his mausoleum."

Nguyen Khanh Visits Performers

BK0402131392 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 2 Feb 92

[Text] On the occasion of the Nham Than [Year of the Monkey] New Year, actors and actresses of the Cai Luong Trung Uong Theater had the honor to welcome Comrade Nguyen Khanh who visited and presented his Tet greetings to them. Comrade Nguyen Khanh was accompanied by Comrade Dinh Quang, deputy minister of culture, information, and sports.

With its contingent of talented actors and actresses, the theater has taken the lead in the reformed theatrical movement in the northern part of the country. Over the past 40 years or more, the theater has received many orders and medals from the state in recognition of its leading role. Despite the current difficult situation, actors and actresses of the theater still make efforts to preserve and enhance the trends and performing arts of the traditional theatrical movement.

On behalf of other comrade party and state leaders and in his own position as chairman of the National Committee for the Decade of National Culture, Comrade Nguyen Khanh cordially inquired about the well-being of actors and actresses and presented his Tet greetings to them. He expressed his hope that they will make constant progress, strive to improve their knowledge and professionalism, and contribute to accelerating the cause of national renovation.

French Polynesia

Striking Sailors Seal Off Tahiti's Main Port

BK0502002892 Hong Kong AFP in English 2057 GMT 4 Feb 92

[Text] Papeete, Feb 4 (AFP)—Striking sailors wearing masks linked 10 ships with anchors and cables Tuesday to seal Tahiti's main port here.

French paramilitary police meanwhile set up checkpoints at all land access to the port.

All maritime traffic from the French Polynesian territory's ports has been blocked since December 27 by the union representing the sailors and port personnel.

They are seeking higher salaries, danger pay and more holidays.

Port authorities, who had held numberous meetings with maritime affairs officials and the high commission since Monday, said the sealing of the port would deepen the conflict.

A shipowners' association, demanding that the strike be declared illegal, appealed to administrator Michel Jau to "use all possible means to end the blockage of the port."

The president of the association, Ethode Rey, told a French radio network that the dispute "had passed from a social conflict to a problem of public order."

Jau, who arrived in the territory Saturday to take up his post, was forced to interrupt his protocol affairs to begin seeking a solution to the dispute.

New Zealand

Government Concerned Over 90 Missing in E. Timor

BK0402102092 Hong Kong AFP in English 0854 GMT 4 Feb 92

[Text] Wellington, Feb 4 (AFP)—Foreign Minister Don McKinnon said Tuesday he was still concerned over the fate of 90 people unaccounted for following Indonesian Army shootings in East Timor in November.

His comments came in a statement welcoming the Indonesian Government's response to an inquiry, and the appointment of a special United Nations envoy.

A New Zealander, Kamal Bamadhaj, died in the shootings on November 12 in Dili, capital of the former Portuguese territory annexed by Indonesia.

An Indonesian commission of inquiry report said 50 people died, but McKinnon said 90 other people were still unaccounted for.

"The New Zealand Government is still concerned about the fate of those people," he said, adding, "there is no indication yet of what action will be taken against the soldiers who were involved in the incident."

The report, accepted by the Indonesian Government, shed no more light on Bamadhaj's death, and the New Zealand Embassy would continue its efforts to find out more, McKinnbe said.

However he called Jakarta's response to the enquiry report reassuring, saying, "they have done what they said they would do."

He noted President Suharto had accepted the findings and "taken quick and decisive action."

U.N. Secretary General Butrus Butrus Ghali has announced he would send a senior member of his staff, Amos Wako, to Indonesia as a personal envoy.

McKinnon said this was a helpful step in resolving the Timor question. "I am very pleased with this development and I look forward to seeing Mr. Wako's report in due course," he said.

Ruling Party Tries To 'Repair' Election Blunder

BK0402103492 Hong Kong AFP in English 0956 GMT 4 Feb 92

[By Michael Field]

[Text] Wellington, Feb 4 (AFP)—New Zealand's governing National Party was Tuesday trying to repair damage caused by an apparent admission by Prime Minister Jim Bolger that it could lose a safe seat in a by-election this month.

Bolger told a press conference Monday he would not be surprised if the government lost the seat at Tamaki, Auckland, which has been in National hands for 31 years.

"I'm just being up-front and telling them as I see it," Bolger said in the latest in a series of unfortunate remarks from the prime minister, whose government has never scored highly in the opinion polls since it came to office just over a year ago.

Former Prime Minister Sir Robert Muldoon, who held Tamaki until he quit late last year in protest at government economic policies, said the comment was a sign Bolger was under pressure and was trying to distance himself from a possible by-election loss.

"I think he was asked the question and he didn't have his advisers to consult. It was just a reaction which in plain language said 'whatever happens don't blame me'," Muldoon said.

The National Party candidate in the by-election, Clem Simich, reacted angrily, saying Bolger's comments were not helpful, and political scientist Nigel Roberts said he believed the issue would raise serious questions about Bolger's leadership.

National's Auckland divisional chairman John Slater denied Tuesday the party had conceded defeat in Tamaki.

"I admire the Prime Minister for being open and honest because it would be very tempting for him to give a glib answer which may not reflect the current state," he said.

Although latest opinion polls show National and the newly formed Alliance Party with an almost even chance of winning the by-election, Slater said National had not even considered the possibility of losing.

Nationwide the government is among the most unpopular in the history of polling, and Bolger's own personal popularity has, in some polls, fallen close to the margin of error.

However he has no obvious successor.

Deputy Prime Minister Don McKinnon is considered a lightweight and comes from a seat the party is likely to lose in the 1993 elections.

The most popular government MP in polls, part-Maori Winston Peters, lacks internal support, having alienated many within the party for his continual criticism of economic policy, even while in cabinet.

Justice Minister Doug Graham, Labour Minister Bill Birch and Trade Minister Philip Burdon are also considered possibles for the job.

Ruling Party Plunges To New Low in Opinion Poll

BK0502080492 Hong Kong AFP in English 0738 GMT 5 Feb 92

[Text] Wellington, Feb 5 (AFP)—New Zealand's ruling National Party Wednesday plunged to a new record low in the latest public opinion poll, 10 days before an important by-election.

Of those questioned in the Television New Zealand-Heylen Poll, only 11 percent said they would have voted for the government had an election been held now. The figure rose to 26 per cent when the 27 percent who were undecided or would not vote were excluded.

Of those who had an opinion, 38 percent would vote Labour and 18 percent would vote for the newly-formed Alliance Party.

The next election is not due until the end of 1993 but a by-election in a normally safe National Party seat is due on February 15.

The poll results also came as Prime Minister Jim Bolger tried to inject confidence in recession-inflicted New Zealand.

Bolger scored seven percent as preferred premier, down on eight percent at the last such poll in December. A backbench rival in the National Party, Winston Peters, scored [figure indistinct] percent, the same as Opposition Leader Mike Moore.

In a speech to the Auckland Chamber of Commerce, Bolger said New Zealand had stepped out of the "vicious circle" and was moving into a "virtuous circle."

He said confidence was returning, exports were growing, and a new economy based on a "peculiarly New Zealand blend of the practical and the intellectual" would grow out of the increased trade.

"In the minds of some, there's a small miracle happening out there," he said.

Bolger said for the first time in 20 years New Zealanders could see the stability of some real prospects.

"The bow wave of world trade, the wave we ride, is breaking on our very shoreline. In 1991 six out of our top 10 exports markets were Asian. That's twice the figure from the year before."

First Quarterly GDP Increase Since 1989

BK0402074492 Hong Kong AFP in English 0506 GMT 4 Feb 92

[Text] Wellington, Feb 4 (AFP)—New Zealand last year had its first quarterly rise in Gross Domestic Product (GDP) since 1989, the Statistics Department said Tuesday.

Finance Minister Ruth Richardson said it was a strong sign the country's deepseated recession was ending.

The figures showed that in the three months to the end of September 1991 GDP had risen 1.3 percent, the first quarterly increase in real GDP, after seasonal adjustments, since the December quarter of 1989.

However, the rise was not enough to offset declines in real GDP during the previous three quarters and the index was down 2.4 percent over the year ended in September.

The quarterly rise was due largely to a recovery in manufacturing output, which was 7.7 percent higher than in the June quarter. This followed a 6.2 percent decline in the June quarter.

Richardson said the figures showed a "bounceback."

"This is the first positive result for seven successive quarters and this just continues the run of good news we have had in the economy lately; confidence rising, exports rising, trade rising and now we have 1.3 percent growth," she said.